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THE JERUSALEM POST

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177-100-2727



VOLUME LXII, NUMBER 18665

WEDNESDAY, MAY 18, 1994 • SIVAN 8, 5754 • THU AL-HIJJAH 8, 1414

NIS 3.70 (EILAT NIS 3.20)

Two killed, one wounded in terror attack near Hebron

TWO Israelis were killed and another seriously wounded yesterday when their car was fired upon by terrorists in a passing car near the settlement of Beit Haggi, south of Hebron.

Rafael Yairi (Klumpfenberg), 36, of Kiryat Arba, and Margalit Ruth Shohat, 48, of Ma'ale Levona, were killed. Shohat's daughter, Yael, a student at Hebrew University, was seriously wounded in the head and was taken by helicopter to Hadassah-University Hospital, Ein Kerem.

Yairi was buried last night in Hebron, and Shohat will be buried today in Kfar Adumim. Yairi immigrated from Holland last year, partly because of his relationship with the Shohat family which immigrated from Holland two-and-a-half years ago. During the year, he converted to Judaism and three months ago married Haya, another immigrant from Holland.

The attack took place at about 8:45 am. Hamas's military wing, Izzadin Kasem, phoned Israel Radio's Arabic service and took responsibility for the attack.

"Kasem will answer any attacks by Israeli soldiers on civilians by hitting settler targets, because we consider attacks by soldiers on innocent people transgress the red lines of the rules of the game," said a statement faxed later to an international news organization.

IDF reinforcements, headed by OC Judea and Samaria Maj.-Gen. Shaul Mofaz and OC Central Command Maj.-Gen. Ilan Biran, rushed to the scene and began a massive search for the attackers. The car believed to be used by the terrorists was found about two hours afterward in Hebron. It had been torched.

Chief of General Staff Lt.-Gen. Ehud Barak

HERB KEINON

told reporters at the scene he expects attacks will continue. "We know that it is likely that attacks will continue in Judea, Samaria, and in the Hebron area. We also don't discount the possibility that there will be attempts on the roads in Gush Katif, and we will have to deal with all these attacks," Barak said.

He called on people with gun licenses to carry their weapons when in Judea, Samaria, or Gush Katif to help protect the thousands of cars using the roads there.

Reuven Tal, a Beit Haggi resident who was the first on the scene, said he saw the car riddled with bullets and summoned help. "I notified the

army that there had been a serious attack, and summoned the ambulances," he said.

Avimor Yosef, secretary of Beit Haggi, said the attack took place a few hundred meters from the settlement, and that he heard the shots. Yosef said the road from Beit Haggi to Beersheba is relatively safe, while the road to Hebron "is full of problems" - cars come under constant attack from stone-throwers. He said the IDF is aware of the problematic nature of the road and patrols it.

Rabbi Eliezer Waldman, head of Yeshivat Nir in Kiryat Arba and one of the heads of the settlements there, said the attack can be linked to the IDF's withdrawal from Gaza and Jericho. "When the government gives arms to terrorists and allows them to come into the country dressed as police, and when the terrorists see that the

government pull back when they attack, then there will be more terror."

Hebron Mayor Mustafa Natshe reacted to the attack by saying: "It may have been a response to the settlers who attacked people in the city on Saturday. It is violence and a response to violence which will not help the peace process. We have been suffering for 80 days since the massacre. The city has been closed for the security of the settlers. Shopkeepers are suffering. This has led to this situation."

Natshe described the role of the international observer force in Hebron as "ineffective." Last night, residents of Kfar Adumim blocked the Jerusalem-Jericho road, and fights were reported between them and Arabs who were attempting to travel to Jericho.

Jon Immanuel contributed to this report.



Terror victim Yael Shohat is brought to Hadassah-University Hospital, Ein Kerem.

(Brian Hendler)

Rabin: Arafat's call for 'jihad' puts peace process in question

Peres expected to meet PLO leader in Oslo

DAVID MAKOVSKY

PRIME Minister Yitzhak Rabin said last night the future of the peace process will come into question unless PLO Chairman Yasser Arafat clarifies a statement he made last week in a Johannesburg mosque calling for "a jihad [holy war] to liberate Jerusalem."

Rabin, speaking to reporters after meeting with US Secretary of State Warren Christopher, said that if the statement is "repeated ... this would be a clear violation of a basic element of the continuation of the process. Therefore, we will ask for a clarification, and there is no doubt in my mind, Israel will not be able to accept such a violation and to continue the process between the PLO and us."

"You have to come and fight jihad to liberate Jerusalem, your third shrine," a voice sounding like Arafat's can be heard saying in the tape of the speech. "Jihad will continue. Jerusalem is not just for the Palestinian people, it is for all the Moslem nation."

When asked about the tape, Christopher, standing beside Rabin, said, "I think we'll have to wait for clarification of the statement. I simply would endorse what the prime minister said. He said it very carefully and clearly, and it would be superfluous for me to try to comment any further than the prime minister has said so clearly himself."

A senior US official, briefing reporters in Jerusalem, said he is concerned about the effects of Arafat's reputed statements. "I think it was totally out of bounds," he said. "That kind of a thing should be a relic from the past."

There was speculation late last night that Arafat would shortly reiterate the commitment he made in his September 1993 letter to resolve issues peacefully, in effect renouncing his reputed call for a jihad.

Rabin made clear Arafat's reported remarks were in utter contradiction to the pledge the PLO

chairman made in a letter on September 9, 1993, which he said led him to agree to mutual recognition with the PLO.

The Arafat letter says: "The PLO commits itself to the Middle East peace process, and to a peaceful resolution of the conflict between the two sides, and declares that all outstanding issues relating to permanent status will be resolved through negotiations."

Foreign Minister Shimon Peres is likely to meet with Arafat in Oslo today at a ceremony organized by the Atlanta-based Jimmy Carter Center honoring Norway's contribution to the peace process. Foreign Ministry officials say. Should the two meet, Peres will raise the purported remarks, the officials say.

Arafat was not available for comment on the authenticity of the tape and PLO officials said they were checking the report.

In the tape, a voice sounding like Arafat claims that, upon his insistence, Rabin wrote a letter before the signing in Cairo two weeks ago saying he would negotiate the future of Jerusalem.

The prime minister denied writing such a letter, noting that, under the Oslo Declaration of Principles signed last September, Israel is obligated to negotiate the status of the city during final status negotiations beginning two years from the start of the Gaza/Jericho accord.

After his own meeting with Christopher, Foreign Minister Shimon Peres also said he was "shocked and amazed" by reports of the speech. Arafat allegedly made the speech at a closed meeting in a Johannesburg mosque after attending the inauguration of South African President Nelson Mandela. A new immigrant from South Africa made the tape available to Israel Radio (see excerpts).

Members of the cabinet also protested against Arafat's reported comments and demanded a government response.

"If such things were really said, believe me, there will be a very determined and aggressive response," Police Minister Moshe Shabai said.

Land: Secret deal with PLO, Page 2

The following is an excerpt from what Israel Radio yesterday reported to be PLO Chairman Yasser Arafat's speech in English in Johannesburg on May 10.

"The jihad will continue and Jerusalem is not for the Palestinian people. It is for all the Moslem 'umma,' all the Moslem 'umma.' You are responsible for Palestine and Jerusalem before me."

"You have to understand our main battle is Jerusalem, Jerusalem the precious shrine of the Moslems. This has to be understood by everybody and for this I was insisting before signing to have a letter from them, from the Israelis, that Jerusalem is one of the items which has to be under discussion and not the state, the permanent state of Israel."

"No. It is a permanent State of Palestine. Yes. It is a permanent State of Palestine and in this letter it is very important for everybody to know I insist to mention and they have written this letter. I didn't publish it until now."

"In this letter we are responsible for all the Christian and the Moslem and Islamic holy sacred sites. You have to come and to fight a jihad to liberate Jerusalem, your precious shrine. And this is very important. And for this agreement I insist with my colleagues, with my brothers, to mention that not exceeding the beginning of the third year and directly after the signing of Cairo Agreement to start discussing the future of Jerusalem, the future of Jerusalem."

"And you saw me on TV while I was participating when I was ... you remember the picture, because I was insisting to mention Jerusalem and I said, OK I don't want from only Rabin this promise. No I want this promise from the cosponsors Christopher and Koseyrev and as a witness President Mubarak, and this had been done. This was very important to me."

"And Samaritans in Nablus and Natorel Karia in Jerusalem, they are refusing to recognize the State of Israel and they are considering themselves as Palestinians. I'm saying this to give proof that what they are saying that it is their capital. No, it is not their capital. It is our capital. It is your capital. It is the first shrine of the Islam and all the Moslems."

Jewish Agency firm makes PLO flags

BATSHEVA TSUR

A SUBSIDIARY of the Jewish Agency has been manufacturing flags for the PLO. The Jerusalem Post has learned.

The company, a branch of Hameshakem located in Nahariya, produces disposable paper products. It recently received an order for the production of car deodorizers in the shape of 28 different flags.

One of the flags was the PLO flag, but the company director did not recognize it. The person who placed the order, an Israeli entrepreneur, did not stipulate which flags he was ordering.

When questioned, the manager told Jewish Agency Treasurer Hanan Ben-Yehuda that he thought "it was just another flag of some East European country."

The company manufactured some several hundred PLO flags before a local journalist spotted the PLO flag. Ben-Yehuda said last night.

Ben-Yehuda said he had ordered an immediate halt to production of the flags. "This is a scandal," Ben-Yehuda said. "It is not feasible that the WZO, which more than any other body symbolizes Zionist values and the return of the Jewish people to its homeland, should be the framework for the production of PLO flags."

Hameshakem employs the handicapped and is operated by the Jewish Agency in cooperation with the Ministry of Labor and Social Affairs.

Comptroller's report today

STATE Comptroller Miriam Ben-Porat is to present her office's 44th annual report to the Knesset today, and will hold a press conference this afternoon to mark its release.

Extensive coverage of the main findings of the nearly 1,200-page report will appear in tomorrow's Jerusalem Post.



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Christopher undeterred by lack of progress on Syrian track

DAVID MAKOVSKY and news agencies

US SECRETARY of State Warren Christopher is stopping off again in Damascus today in a bid to push hopes for Middle East peace forward.

"Problems are very difficult and each specific issue has a number of difficult aspects to it," Christopher told reporters at a joint news conference in Jerusalem last night with Prime Minister Yitzhak Rabin, after the two met for an hour.

"But with the prime minister's encouragement I am going back to Damascus for further discussions - as he [Rabin] says - to try to find a common basis between the parties."

Christopher was to visit Damascus this morning and then travel to Cairo later in the day before returning to Washington.

Rabin told reporters there were still differences between Israel and Syria on "some major issues."

"There are a lot of problems. We are in the beginning, still a long way to go," Rabin said. "But I believe that the secretary continues his efforts to find out a common basis for the continuation of the dialogue."

A senior Clinton administration

official told The Jerusalem Post last night that Christopher was undeterred by the pace of talks, saying, "You will see the secretary making regular visits here."

Israeli sources say it is likely that Christopher will return to the region on approximately June 12, after attending a NATO meeting in Istanbul, but the official refused to confirm this. "However, watch the pattern with this visit. We had a European trip planned, and continued to the Middle East."

A senior Israeli official said that "the one thing the secretary of state brought here from Damascus was a Syrian willingness to engage in phases of full withdrawal over a period of time," but it remains unclear if an exact time period for withdrawal was stated.

The senior US official admitted privately last night that most of the diplomatic clarifications are being sought by Jerusalem.

Syria is less interested in clarifications from Jerusalem, because it first seeks an unambiguous commitment to full Israeli withdrawal from the Golan Heights.

"There is no question some movement is taking place, but we

are not at a point where it can be said whether it will lead to any success," the official added. "Now that we are actually in real negotiations themselves, the headway must be seen as coming against a different backdrop."

Environment Minister Yossi Sarid, frustrated by the lack of progress in peace talks with Syria, said yesterday that Israel could compromise on peace moves if only Damascus showed the same flexibility.

Christopher "is certainly familiar enough with the negotiations to understand that from our standpoint it's a package deal," Sarid said.

"This package deal has many important components and so long as the Syrians will be ready to come towards us on a certain component we can also show flexibility on another component."

Christopher held two more rounds of talks with Rabin yesterday including another meeting at his home last night. The secretary of state also held separate talks yesterday with Foreign Minister Shimon Peres.

Christopher in Jericho, Page 2

Control of Gaza formally transferred, but IDF delays evacuation

JON IMMANUEL and ALON PINKAS

ISRAEL formally transferred political power to the Palestinian Authority in the Gaza Strip yesterday, but the IDF delayed its full evacuation pending the official establishment of the authority.

Zakaria Agha, a member of the PLO council that will govern the Gaza Strip and Brig.-Gen. Dov Gazit, the head of the Civil Administration there, signed a two-page protocol written in English that accomplished the transfer. The brief ceremony was held in the civil administration offices near the Erez checkpoint.

Agha told Reuters that some governmental issues would still have to be worked out between Israel and the PLO. But Gazit sought to leave with the idea that the military government did some good in impoverished Gaza.

"It's exciting because we have been responsible for the area for

27 years, and we have done a lot of work under difficult conditions. I think we succeeded in doing something," he said.

PLO and Israeli officials said the remaining problems have to do with the budget for running Gaza and travel by Gaza Palestinians to Israel, Judea, and Samaria. Gazit said it would take time and patience to solve the problems.

The transfer of power hands over 28 governmental departments which handle 38 areas of civilian government.

The handover brought Gaza another step closer to self-rule, but the largest crowds which assembled were administration workers trying to cash their NIS 375 severance pay checks at post offices in the strip and asking where the next pay check would come from.

Agha will start paying their salaries from June, al-Kuds reported.

Meanwhile, Mohammed Dahlan and Jibril Rajoub, appointed by PLO leader Yasser Arafat to be in charge of security in Gaza and Jericho, arrived yesterday. Dahlan came from Egypt and Rajoub crossed the Allenby Bridge.

Rajoub was welcomed to his hometown of Dura, near Hebron, while Dahlan went to the PLO office in Gaza City and then to the main police station.

Dahlan fled the country, and Rajoub was deported in 1988. Both subsequently became close advisers to Arafat on Israeli and local Palestinian affairs.

The IDF presence in Gaza was still visible, largely in the Rimal neighborhood, though only if one looked up. In the streets, Palestinian police were clearly in charge as soldiers manned rooftops, including one opposite the house of negotiator Dr. Haidar Abdel-Shafi.

Japhet to be sentenced today

EVELYN GORDON

FORMER Bank Leumi Chairman Ernst Japhet will be sentenced today for his role in the share manipulation which caused the 1983 bank shares collapse.

Japhet's lawyers indignantly denied an Army Radio report saying that Japhet would be in Switzerland when the sentence is pronounced. Technically, the agreement Japhet reached with the state this winter - as a result of which he agreed to return from the US to stand trial - would permit this, since it allows him freedom to travel abroad, on security of an NIS 1 million bail. The only requirement was that he attend scheduled trial sessions.

However, his lawyers said, he intends to be in court this morning.

TEL AVIV UNIVERSITY



Inauguration of Townsend Avenue and Unveiling of the Memorial to Maria and Jacob Mandelbaum, Parents of Helena Townsend

Lecture

Moshe Atsmon
 Campus Architect

Landscaping in the TAU Campus

on Friday, May 20, 1994 at 3 p.m.

at Townsend Avenue between Gilman and Sharrett Buildings
 Tel Aviv University Campus, Ramat Aviv

Please follow the direction signs to the ceremony
 Entrance through Ramniceanu Gate (4)

- The public is invited -

هكذا من الأصل

Christopher visits Palestinian Jericho

US SECRETARY of State Warren Christopher yesterday became the first top-level foreign dignitary to visit the seat of the new Palestinian Authority in Jericho since the handing over of the town by the IDF. He was preceded two weeks ago by Japanese Foreign Minister Kijiri Kakizawa, who was the first foreign minister to visit since the signing of the Gaza/Jericho accords.

"I am thrilled to be here," Christopher told reporters as he entered Palestinian Police headquarters. "One of the reasons I came today is to make it clear to our Palestinian friends that they are not alone in this endeavor and that we in the international community will stand with them as they make their historic transition."

"A great deal rides on how this is worked out. We all have a great stake in the success. I am very impressed to see the degree to which this has been managed

DAVID MAKOVSKY
and news agencies

with skill and efficiency and I congratulate them," Christopher said.

"I would like to welcome the secretary of state here to Jericho in the first stage of building our state of the future," said Faisal Hussein, recently appointed by PLO Chairman Yasser Arafat to be a member of the Palestinian Authority governing council.

Christopher's hour-long talk with Palestinian leaders - which included Hussein, Saeb Erakat, and Hanan Ashrawi - centered on US and international funding for the authority. Palestinians assured Christopher that the body will soon be fully functioning.

It is believed that Christopher will wait to see how the authority functions before urging the World Bank to disburse large sums of assistance.

The US has committed itself to provide the Palestinians with \$500 million of aid over the next five years.

After the meeting, Hussein told reporters that he and his colleagues had made several complaints to Christopher. One of them, he said, was that it is wrong for settlers who come to pray in the Jericho synagogue to enter the building with automatic weapons; this does not befit a place of prayer, he said. Another complaint, Hussein said, is that Israel is still expanding settlements.

Christopher arrived in Jericho just minutes after Hamas terrorists killed two settlers in the Hebron area.

The secretary's motorcade was escorted along the dusty streets of Jericho by dozens of Palestinian policemen totting Kalashnikov assault rifles, riding in open jeeps and vans.

As a gesture of welcome to Christopher, several dozen boy scouts from Nablus and Hebron waited outside the police station, until a few days ago the civil administration building.

While the Palestinians appeared to take pride in hosting their guest, it was US security personnel who ran things inside the building. It was they who instructed the police not to permit entry for almost a dozen foreign journalists who wanted to cover the event in the compound.

After meeting with the Palestinians, Christopher toured Hisham's Palace.

Herb Keiron adds
About 20 Jews, many of them armed, studied in the yeshiva at the ancient Shalom Al Yisrael synagogue in Jericho yesterday, while Palestinian police stood guard outside.

Rabbi Mordechai Rabinovitch, the head of the yeshiva, said no words were exchanged between the yeshiva students and the police.

"We walked in, and there was no contact with the police," Rabinovitch said. "We don't see ourselves as subordinate to



US Secretary of State Warren Christopher, accompanied by Palestinian leader Faisal Hussein (center) and a Palestinian Police officer, tours the ruins of Hisham's Palace in Jericho yesterday.

them. If they would approach me, I would say that if there is a problem they should call the IDF. I don't want to create the impression that they can exercise authority over us."

On Sunday, the first time armed students studied at the yeshiva while Palestinian police stood guard outside, the head of the Jericho police force, Maj. Gen. Haj Ismail, said that "Jewish settlers will be allowed free access to the synagogue, but not with arms. It is legally prohibited."

He claimed that the entrance of armed Jews in the compound was "a violation of the agreement with Israel."

Rabinovitch, however, said that OC Central Command Maj. Gen. Ilan Biran last week told yeshiva heads that under the

agreement, yeshiva students will be allowed to bring arms into the compound. Rabinovitch said that it is unthinkable that the students would go there unarmed.

"There is a lot to be wary of," he said. "Terrorists have been turned into soldiers all over the city."

SOCIAL & PERSONAL

The weekly meeting of the English-speaking Jerusalem Rotary Club will take place today, 1 p.m., at the YMCA, King David St. Prof. Salo Gronowitz will speak on the Nobel Prizes.

The Ambassador Zev and Mary Sufort Park at Yatir will be inaugurated tomorrow. Friends from Holland and Israel are invited to attend. For further details, contact the Jewish National Fund, (02) 707403/567.

ARRIVALS

For the annual meeting of the Board of Governors of Tel Aviv University - From Argentina: Mrs. Simone Mallo. From France: Maurice Goldschlager, vice chairman of the Board of Governors, for the awarding of the Prof. Richard Stein Memorial Prize and for the inauguration of the Gabriella Goldschlager Laboratory for Exact Measurements: Mr. & Mrs. David Eskinazi. From Italy: Mr. and Mrs. Beniamino Mattia, for the opening of an exhibition by Marcel Duchamp. From South Africa: Mrs. Eva Gluckman. From Australia: Mrs. Shulamith Handelsman, for the inauguration of the Australia Alysa Wing. From Caracas: Mrs. E. Curiel, to receive an honorary doctorate. From Mexico: Mr. and Mrs. Neftali Frankel. From Brazil: Mr. and Mrs. Mario Adler. From the US: Steve Fainburg, Mr. & Mrs. Neil Skidrow, Mr. & Mrs. Robert Warner.

Nablus resident shot dead

ALON PINKAS

BASHAR Zaban, 23, of Nablus, was killed yesterday, when a Bezek security officer shot him after he tried to snatch the officer's weapon.

Three Bezek vans were in the city, when a mob surrounded them and began hurling stones. Zaban then attempted to disarm a Bezek security officer, but was shot in the head. He later died of his wounds in Sheba Hospital at Tel Hashomer.

Barak: IDF, not settlers, injured Hebron Palestinians

DAVID MAKOVSKY

MOST of the Palestinians injured in clashes with settlers in Hebron on Shavuot were actually struck by the IDF. Chief of General Staff Lt. Gen. Ehud Barak disclosed to the cabinet yesterday.

Barak reportedly said that the IDF only became involved following a chain of events. First, a yeshiva student was stoned, and fired his weapon claiming self-defense.

This in turn set off unrest among Palestinians. Barak said the IDF is still investigating to see whether the yeshiva student indeed fired in self-defense.

Cabinet ministers slammed the settlers for triggering the incident, saying they knew full well

that entering tense areas of Hebron in the aftermath of the massacre could only invite trouble.

Ministers also condemned the killing of two settlers yesterday in Hebron.

Prime Minister Yitzhak Rabin said Israel would not be deterred by "the enemies of peace on both sides, who are bent on disrupting the peace process." Yossi Sarid said Israel would fight against Hamas terrorists killing settlers, as well as against the "provocations" of the settlers themselves.

The clash occurred in the area known as Bab al-Zawia, which settlers say is near the grave of Yishai, the biblical father of King David.

Participants in the cabinet

meeting cited Barak as declaring that only three Palestinians remain hospitalized, while the rest were "very slightly" injured.

"The chief of staff said that of those who were injured, the overwhelming majority were hurt by the army and not the settlers," one participant said.

A statement issued yesterday by the Temporary International Presence in Hebron (TIPH) unit in Hebron said two Palestinians were wounded seriously, and promised its own investigation. One Palestinian child, 11-year-old Bana Zayed, has a bullet lodged in his throat.

In response to questions why

the IDF allowed the settlers to move freely about in tense areas of Hebron, Barak replied that unless the cabinet decides otherwise, existing policy remains. He said settlers can visit old grave sites providing prior coordination is worked out with the IDF, and people walk as a group.

Herb Keiron adds:

Responding to the criticism leveled against the Kiryat Arba students in the cabinet, Rabbi Eliezer Waldman, head of Yeshivat Nir in Kiryat Arba where they study, said, "What kind of self-hatred can get into people that they immediately blame the attack on the Jews; the people who were attacked. They say this was a provocation, our very presence is a provocation for them."

Waldman said that the students fired into the air Monday afternoon after they were surrounded by Palestinians, and were having cinder blocks, rocks and bottles thrown at them.

Aharon Domb, spokesman for the Council of Jewish Communities in Judea, Samaria and Gaza, said "Unfortunately there are senior political officials who knowingly distort reality when Arabs attack Jews, like Monday in Hebron and yesterday in Beit Hagai. These officials always explain why Jews are being attacked, and in so doing cheapen the blood of the residents of the settlements."

Rothschild: PA won't boost economy

DAVID MAKOVSKY

A TOP security official told the cabinet yesterday that he doubts whether the economic situation will improve under the Palestinian Authority (PA), and that economic failure has serious political implications for the Palestinians' future.

According to participants in the cabinet meeting, IDF Coordinator of Activities in the Territories Maj. Gen. Danny Rothchild also said that the PA has begun to collect guns of private Palestinians, but the population has, so far, only limited interest in cooperating.

Rothschild said that Israel will depend upon the cooperation of the PA in arranging Palestinian work permits in Israel. While Israel will remain in control of selecting the criteria for who can work - namely whether they have a jail record or not - the PA will have a say in selecting the actual individuals.

Rothschild announced that 10,000 of the 12,000 Palestinians who have work permits are currently working in Israel. Most of those Palestinians who are allowed entry work in agriculture, while some work in industry and in tourism. The total amount of Palestinians allowed to work in Israel is a sliver of the estimated 120,000 who labored inside the Green Line just over a year ago.

Golan residents demonstrate

Hundreds of Golan residents demonstrated yesterday against possible withdrawal from the region at a point 200 meters north of Ein Gev, which was the border with Syria prior to 1967.

Among the placards at the demonstration were those reading "I love the Golan Heights," "The Golan stands for all of Israel," and "The Golan is my home." The demonstration passed without incident.

Two killed in road accident

Two young men were killed in a traffic accident which apparently occurred late Monday night at the northern exit from Afula. Their bodies were discovered early yesterday morning, one inside the car, and one in a ditch alongside the road.

Their car was apparently traveling at excessive speed when it ran off the road, uprooting a bush before overturning.

Netanyahu: Gov't planning redivision of Jerusalem

SARAH HONIG

LIKUD leader Binyamin Netanyahu said yesterday he does "not fully trust the government's denial of the existence of a private understanding with Arafat to negotiate the redivision of Jerusalem. If Arafat is indeed lying, then he has breached the signed accord. So why does this obsequious government do absolutely nothing about it? Unless, of course, he is not lying."

Yesterday's roadside murder at Beit Hagai added, according to Netanyahu, "further evidence, if any were still needed, to the utter failure of this defeatist, fawning government, which gives in to the PLO and allows Hamas a free hand to murder Jews, who are then posthumously labeled the 'victims of peace.' The essence of peace is that it should claim no victims and be unsoiled by bloodshed."

Anti-government demonstrations were held at scores of locations throughout the country last night. Dozens of protesters gathered outside the prime minister's residence in Jerusalem during US Secretary of State Warren Christopher's meeting with Prime Minister Yitzhak Rabin, causing large traffic jams.

This government, Netanyahu continued, "is totally unable to act. It is unable to say no to Arafat. It is unable to tell him that it is fed up; that it is no longer ready to be constantly debased, spat at, and slapped in the face. But this government's humiliation threshold is unbelievably high. It has just signed a peace deal and Arafat is already declaring a jihad, a holy war. He calls on all Moslems to converge on

Jerusalem and wrest it from the Jews. He says we have no right to it as our capital and this government does not even wipe the spit from its face and once more stands fully upright on its knees."

Netanyahu called the prime minister's reaction to Arafat's call for a jihad "totally unsatisfactory. Arafat has revealed just how much it is Gaza and Jericho first, with all of the other territories and Jerusalem slated to follow." He said Rabin needs "to do more than just pay weak lip service. He must shut down the PLO offices in Jerusalem and prevent Faisal Hussein and Sari Nusseibeh from serving on PLO negotiating teams and in the autonomy institutions."

The National Religious Party's

Zevulun Hammer linked the Beit Hagai attack to Arafat's call for a jihad, saying that "the shooting is only the first volley for the holy war on Jerusalem which Arafat declared. By giving up Jericho, the government has made Jerusalem and its vicinity all the more vulnerable to Arafat and his bands of terrorists, no matter what cover name they use."

Tsomet leader Rafael Eitan marveled at "how a government, which has been so repeatedly warned by every single intelligence agency in this country that its peace will mean more bloodshed, nevertheless goes ahead on a road that it knows can lead only to disaster."

Moledet issued a statement saying that "Rabin's peace has just cost us two more victims on its altar."

State asks court to reject petition against Hebron Jews

EVELYN GORDON

A PETITION asking that the Jews be removed from Hebron should be thrown out, because this is a purely political issue, the state told the High Court of Justice yesterday.

It was responding to a petition by attorney Mohammed Dahla and 11 other Arabs, which demanded that the Jewish settlements in Hebron be dismantled and that the Jews living there be disarmed until this is done. The case will be heard tomorrow.

"This court has repeatedly said it will not discuss questions which predominantly revolve around the government's policy, such as the implementation of the agreements between Israel and the PLO," wrote Nili Arad, head of the Justice Ministry's High Court division, in her response. "The future of the Jewish communities in Judea, Samaria, and Gaza is an outstanding issue in the political discussions [with the PLO]."

There is also no justification for disarming the settlers, she said.

"The IDF believes the settlers in Hebron, like all the other settlers in Judea, Samaria, and Gaza, are likely to find their lives in danger," she wrote. "The degree of their exposure [to danger]

in general justifies giving these settlers weapons for the purpose of self-defense."

If the weapons are misused, they will be taken away, she added, but only on an individual basis.

The petitioners had argued that the Hebron settlements are illegal because they were started at the settlers' own initiative, rather than as a result of government policy. However, Arad noted, all had been retroactively approved by the government.

"The Jewish settlement in Hebron is a fact which has been approved by cabinet decisions throughout the years," she wrote.

She also rejected the petitioners' charge that the Jews in Hebron are illegally living on Arab property, which had been confiscated by the army for security reasons that had since lapsed.

Most of the Hebron settlers, Arad said, live on property that was originally Jewish. Though some also live in areas confiscated by the army, the security reasons leading to those confiscations are still valid, she said, and furthermore, the former owners had in most cases already

accepted compensation and therefore renounced their claims.

If those few whose claims have not yet been settled - who are not among the petitioners - wish to argue the matter in court, she added, the proper forum would be the ordinary courts, not the High Court.

Arad also rejected the petitioners' claim that the army is failing to meet its obligations under international law to protect the Arab residents, since it has not stopped the settlers from injuring them, and is also continuously imposing restrictions on the Arabs' freedom of movement.

The army, she said, is doing everything in its power to protect the Arab residents of the city. Those restrictions on their movement which have been imposed, such as the curfew after the Machpela Cave massacre, were necessary to maintain order due to the rioting of the Arabs themselves.

As an example of the problem, she cited the fact that between January 1, 1993 and March 31, 1994, Arab residents of Hebron had filed 195 complaints against Jews with the police. In contrast, Jewish residents and the army had filed some 2,300 complaints against Arabs.

PLO paying Sha'ath \$500,000 for computer system

BILL HUTMAN

THE PLO is paying \$500,000 to the company headed by chief Palestinian negotiator Nabil Sha'ath for setting up a computer data system for the Palestinian self-government, the Jerusalem Post has learned.

Sha'ath maintains the deal does not constitute a conflict of interest, as his company, Team International, is carrying out the project for millions of dollars less than was offered by the Civil Administration, informed sources said.

Sha'ath's son, Ali, a computer expert, has been in Gaza for the

past two weeks completing the project, which involves the transfer of Palestinian population records to the self-government.

The sources said the Civil Administration offered to do the job for the Palestinians at a cost of \$6 million. The PLO rejected the offer, and instead chose Team International, which Sha'ath founded and serves as chairman of the board.

Sha'ath, who told associates that

Team is not making a profit on the computer project, had come under

heavy criticism in some PLO circles for his company's close connections with the establishment of the Palestinian self-government.

THE KNESSET

Tomorrow, Thursday, May 19, there will be no tours of the Knesset building, as the Knesset will be sitting.

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We share your profound grief
on the passing of

SHIRLEY SCOTT

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The coffin will be brought to Israel and the funeral will take place tomorrow, May 19, 1994 at 12 noon, departing from the Sanhedria Funeral Home for the Har Hamenuhot Cemetery.

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WILHELM - WILLY GOTTESMANN

The funeral will take place today, Wednesday, May 18, 1994 at the Hof Hacarmel Old Cemetery, Haifa, Main Gate.
Bus transportation at 10:30 a.m. from 12 Masada St.

The Family

The shiva will be private.

The Directors and Staff of The British Olim Society together with the members of the BOS Moadon, Karmiel extends sincere condolences to Noreen Firestone and family on the death of

DAVID

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express its condolences and shares the grief of the Shulman family on the passing of

PAUL SHULMAN

Member of the International Board of Governors

Mayors, MKs support social workers' strike

DAN IZENBERG and Ilan

THE country's mayors and local council heads yesterday voted unanimously to support the social workers' strike. The mayors also decided to hold a solidarity demonstration tomorrow morning opposite the prime minister's Tel Aviv office.

"I call on the government, in the name of all the heads of local authorities in the country, to sit down immediately with the social workers and begin negotiations with them to put an end to the strike," Union of Local Authorities chairman Adi Eldar said yesterday, in announcing the mayors' decision.

"Their strike harms a population that doesn't go out into the streets to declare its distress, so we must bring the government into a dialogue with representatives of the social workers, most of whom work for the local authorities and perform a difficult task with devotion," Eldar said.

In another indication of growing support for the strike, 30 MKs yesterday signed a petition calling on the Finance Ministry not to treat the social workers "cold-heartedly" and to see to it they receive "a substantial and proper" salary increase. The petition was

circulated by MK Dalia Itzik (Labor).

Also yesterday, the Knesset labor and social affairs committee blamed Treasury wage director Shlomo Granit for the strike, saying he had "exploited the finance minister's weakness to aggravate the crisis with the social workers."

"The committee takes a very grave view of the way the social workers are being tormented and the coldhearted way other segments of the community, who pay the highest possible price, are being treated," the committee said in a formal resolution.

The Meretz Knesset faction also appealed to Shohat to conduct uninterrupted negotiations with the social workers to end the strike. A meeting was scheduled for last night between Treasury and social workers' representatives.

In Haifa yesterday, Mayor Amram Mitzna addressed a demonstration of social workers in the city's Memorial Park, telling them he identifies with their struggle because they perform "holy work." The social workers are stationed on the confrontation line and the front line of aiding society, he said, and they do not receive fair compensation.

Journalists: No one to talk to at PM's office

DAVID MAKOVSKY

TOP posts in the Prime Minister's Office remain unfilled — Prime Minister Yitzhak Rabin has neither a spokesman nor a cabinet secretary — and senior officials say rather flippantly that they cannot be bothered to fill them.

"It's just not on our minds right now," one senior official said. Only half joking, he added, "Perhaps it's sometimes better that there is no spokesman, especially when the issue is Syria."

However, journalists are not laughing. Both local and foreign

media have voiced frustration that there is no reaction from the Prime Minister's Office at a time when US Secretary of State Warren Christopher is visiting.

Many journalists, both local and foreign, have been complaining that the Prime Minister's Office — apart from Gad Ben-Ari, the spokesman who left his post a couple of days ago — is closed to them.

While Ben-Ari — who was named the top Jewish Agency emissary in the United States — re-

ceived high marks from journalists for his honesty, he is known to have been frustrated by being left out of the information loop and kept out of meetings by his superiors, led by Shimon Sheves, director-general of the Prime Minister's Office.

"I think we will miss Gad Ben-Ari very much," said Connie Mus, chairman of the Foreign Press Association. "He was very good, and accessible to the foreign press. I

hope the Prime Minister's Office will replace him with somebody else who is accessible. This is especially crucial during these historic moments for the State of Israel."

But some candidates, like Army Radio chief Moshe Shlonsky, have reportedly turned down feelers to replace Ben-Ari, allegedly out of fear they would have no better access than he did.

The spokesman's post is not the only one that remains unfilled. Nobody has replaced Elyakim Rubinstein, who completed a seven-

and-a-half-year tenure as cabinet secretary earlier this month. He was named legal adviser to the Defense Ministry.

Among the rumored candidates to replace him are Labor Party activists Yitzhak Herzog and Haim Meltzer, both attorneys. Herzog is the son of former president Chaim Herzog.

Until the replacements are named, Michael Nir, who has served in the cabinet secretary's bureau for decades, is assuming Rubinstein's duties.

Tourist companies wary of Jericho

HAIM SHAPIRO

OFFICIALS of the Palestinian Tourism Office in Jericho are saying "welcome," but at least some Israeli tourism entrepreneurs yesterday were still adopting a wait-and-see attitude before they send in the buses.

According to the agreement, both tourist and regular Egged buses are to be permitted to pass through Jericho on Highway 90, the main road between Jerusalem and Tiberias, without being stopped and without registering the names of their passengers.

"Until we get instructions from the army, we've given our guides instructions not to go through Jericho," said an official of one large tourist agency, who asked that neither she nor the company be identified by name.

Dudu Zakai, director of the Society for the Protection of Nature in Israel's Jordan Valley Field School, said that as far as he knew, all buses were taking the security road, an unpaved road going around the town.

"No one knows what is happening there. The army doesn't know either," he said.

However Shmuel Marom, director of Unitours, one of the larger firms dealing with tourists, said that his company has given orders for its buses to go through Jericho as usual on their way between Jerusalem and Tiberias and to visit the local sites.

"So far, we have had no problems," Marom said.

Ronda Halta of the Palestinian Tourism Office in Jericho said that Israelis and foreign tourists were welcome to visit the town and eat in the many restaurants.

According to the Tourism Ministry, over 250,000 people visited Tel Jericho last year, with less than a thousand of them Israelis.



President Ezer Weizman poses with some of the guests at yesterday's open house at the President's Residence in Jerusalem. (Avi Hasson)

The president meets the people

BATSHEVA TSUR

"IS it difficult being the president?" Boris Poliakov, a new immigrant from Minsk, one of thousands of "ordinary" citizens who took advantage of yesterday's open house at Beit Hanassi, asked President Ezer Weizman.

And when the president had explained his functions and duties, Poliakov remarked: "This is an example of good absorption and a democratic process. I am only four months in the country and already I have managed to have a discussion with the president. In the CIS, this could never have happened."

The Weizmans had opened their residence to the public on the first anniversary of their term of office and to mark Shavuot in the hope that this would draw more people to Jerusalem.

And they came in droves. As the Kiryat Yam Youth Orchestra played Israeli songs, every visitor was presented with a red rose and invited to view the Chana Orloff sculpture exhibition in the gardens. But the big attraction, of course, was meeting the president and his wife in the reception hall

where a display of the finest fruit and vegetables reminded the visitors that Shavuot is a harvest festival.

The simplicity and informality which have become the hallmark of the "presidency" were everywhere in evidence. The Weizmans mingled, chatting informally and posing for once-in-a-lifetime snapshots.

Reuma Weizman stood attentively next to the grand piano as Ayellet Gabai, 8, of Or Akiva, showed how she plays. Her musi-

cian mother, totally paralyzed since a polio attack four years ago, looked proudly on from her wheelchair. Ezer Weizman met a young immigrant from Kharkov and was virtually smothered as he told her in Ukrainian how his family had immigrated from the same Ukrainian city before World War I.

For Missa Abu Het, 16, of Tira in the Triangle, the visit took on special significance because of the peace process. "It's great to be here. We hope that now that there is autonomy in the territories there'll be no more bloodshed," she said.

Jerusalem's Bikur Holim hospital to build new emergency wing

JUDY SIEGEL

A SPACIOUS and modern emergency wing will be built at Bikur Holim Hospital in the center of Jerusalem to treat the wounded, injured and sick, which will replace the existing crowded emergency room at the 170-year-old hospital.

A festive dinner, attended by President Ezer Weizman and Jerusalem Mayor Ehud Olmert, was held last night at the Jerusalem Re-

naissance Hotel to raise funds for the project.

Hospital administrators said that time is of the essence when dealing with the seriously wounded, and that having a well-equipped emergency wing in the center of town can save lives. Jerusalem's other hospitals are several kilometers

from the center of town. Bikur Holim will boost the number of doctors and nurses to run the facility.

The Health Ministry, which was represented at the dinner by several officials, said the facility will be financed only with private funds. "We welcome the improvement in the existing emergency room, which is rundown and overextended," a ministry source said.

Efrat being connected to cable TV

LIAT COLLINS

WORK is beginning on connecting Efrat, in Gush Etzion, to cable television. Signal Electronic Services, which won the tender to connect the 5,000 residents to Aruzel Zahav's broadcasts from Jerusalem, said it would invest NIS 1.5 million in the project.

Signal director Itamar Giladi said yesterday he intends laying cables to other Gush Etzion settlements, such as Eilon Shvrit, Kfar Etzion, Elazar, and Neveh Daniel.

"Following the requests of

representatives of settlements in the Efrat area, we are examining the possibility of extending the connections and infrastructure to all Gush Etzion residents as quickly as possible. We would be able to complete the hook-up to the entire area within six months of setting up the system," Giladi said.

The cable hook-up will be via a 20 km. optic fiber from Jerusalem to a booster station which will be built in Efrat.

Hefetz: Phone-tapping 'blown out of proportion'

BILL HUTMAN

THE phone-tapping scandal has been vastly blown out of proportion, Police Inspector-General Assaf Hefetz said yesterday.

Hefetz said nearly all of the more than 200 persons allegedly tapped by two private detectives now under arrest had their conversations listened to by chance.

Only a handful of those on the list released by the court Sunday were intentionally tapped, Hefetz told a Jerusalem press conference.

"I can calm the people of Israel by saying that there was not massive [intentional] wire tapping," he said.

He said the widely published case involves largely the use of a sophisticated device to listen to portable phone conversations, and that this was done randomly. A small number of persons had their phones intentionally tapped, apparently as a result "of a business conflict between two organizations," Hefetz said. Senior staffers at Ma'ariv and Yedioth Aharanot were among the 231

names made public by the court.

The list also showed that the phone conversations of officials with the president's and state comptroller's offices were listened to, allegedly by the two private investigators.

The two have denied any wrongdoing, and refused to say who, if anyone, paid for them to listen to the phone conversations.

Hefetz said the police are pushing for legislation which would outlaw eavesdropping on wireless phone conversations. He noted the use of such phones would become even more widespread with the recent deregulation.

Israelis attend Tunisia conference

LIAT COLLINS

THE Israeli delegation to the "Conference on Sustainable Development in the Mediterranean," which opened yesterday in Tunisia, reported a "professional and proper" atmosphere.

Environment Ministry Director-General Israel Peleg, heading the Israeli delegation, said: "The only tension here is between the countries in the north Mediterranean and the south, between developed and developing countries."

This is apparently the first time that Israel was officially invited to such an environmental conference in an Arab country, with which it does not have diplomatic relations. There are 25 delegations attending the conference, including a Palestinian group and representatives of international organizations.

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Row over D-Day 50th anniversary program grips Britain

LONDON (Reuters) - Headlines in British newspapers reflect the emotions still felt 50 years after the event - "Call Off the D-Day Revels", "Clinton's D-Day Snub for Queen", "US Veterans Snub D-Day Offer".

Commemorations marking June 6, 1944, when Allied forces invaded Europe on the Normandy beaches to drive the Nazis from France, were always going to be difficult to balance between celebration and respect for the dead. But the programme of events planned in Britain involving the public, foreign visitors, politicians and Allied heads of state ahead of a ceremony in France stirred passions among veterans of the historic action.

"It's a minefield of sensitivities," said one British government official. "There are a lot of prickly people out there."

Prime Minister John Major drew heavy fire

for including street parties, firework displays and cooking competitions in a programme of 500 events planned across Britain. The main veterans association accused him of trivialising D-Day.

Opposition politicians accused Major of trying to create a "feel-good factor" as the anniversary falls only days before European parliament elections, in which the Conservatives - trailing in opinion polls - are expected to do badly.

"To turn this into a party political jamboree with extravaganzas in Hyde Park just to help the government in the days before the European elections to me is tasteless and disgusting," said former cabinet minister Lord Healey, an opposition Labour Party politician and old soldier.

His view reflected the feelings of thousands of old soldiers who said they would prefer to commemorate the landings with a nationwide ser-

vice of thanksgiving, leaving celebrations for the 50th anniversary of Victory in Europe (VE) day next year.

Defending the government's D-Day programme, Social Security Secretary Peter Lilley said: "We want the right balance of solemn respect for those who gave their lives and gratitude which is a form of celebration for what they won."

As a result of the furore the Royal British Legion veterans' association, which threatened to boycott a "dazzling family day" in London's Hyde Park and appealed to Major to scrap the idea, was invited to participate more fully in government D-Day plans.

The party in the park was postponed to August 14, the end of the campaign in Normandy, from early July and officials assured the veter-

ans the event would be commemorative and not celebratory.

Another skirmish resulted in victory for the veterans after it was discovered that a group of Canadian and British D-Day veterans had their reservations at a Normandy hotel cancelled to make way for US television staff.

The French and British press were scathing about the French government's handling of the issue which newspapers said was the height of insensitivity to men who had paid in blood for France's freedom as well as a demonstration of poor planning.

The veterans were reinstated.

Another flashpoint was a decision by US veterans not to travel from Britain to France for the D-Day ceremony aboard the cruise liner Canberra.

"This is quite a snub. After all the initial enthusiasm, we have been dumped with all these extra places at the last minute," said one British veteran.

US aides also decided it would be inappropriate for President Bill Clinton to sail to France aboard Queen Elizabeth's royal yacht Britannia, seen by some tabloids as a snub. Instead he will be aboard the USS George Washington.

In a bid to soothe German irritation about being excluded from D-Day commemorations, Major invited Germany to join celebrations next year in London for VE Day on May 8, 1945, when Nazi Germany capitulated. Chancellor Helmut Kohl accepted.

But some of Britain's mass-circulation newspapers seized the chance to open old wounds. "German Army to march across Britain", ran a Daily Mirror front-page headline.

Battle rages for key south Yemen base

Northern troops prepare for 'final assault on Aden'

ADEN (Reuters) - Rival Yemeni armies battled with tanks and artillery yesterday for control of a key military base whose capture is vital for a northern military campaign to crush defiant southern leaders in their Aden stronghold.

Northern forces had on Monday said they captured the strategic al-Anad military base, 60 km north of Aden. But yesterday they reported they were besieging the strategic southern defense position.

Southern forces said their civil war rivals had broken through southern defenses on the Kurush front, northeast of Aden, and battles were raging on the approaches to al-Anad.

"Al-Anad has become a full fighting axis... They (northern forces) have not entered the base and we still have control of roundabouts (leading to the base)," said Captain Abdul Rahim Qassem at a new rear southern defense line, 18 km south of the base.

Wave after wave of southern warplanes flew sorties against northern troops, who say they are preparing for a final assault on Aden in their two-week military campaign to crush the south's leader, Vice President Ali Salem

al-Baidh.

The northerners appeared to be planning their offensive from two fronts, al-Anad to the north and Zingibar, 55 km northeast of Aden.

Southern officers reported street battles taking place in Zingibar late on Monday.

Military experts said the northerners, if they succeed in breaking southern defenses, would likely lay a siege of Aden rather than enter the city where they would face resistance from soldiers and civilians in bloody street battles.

They said northerners would then pressure Baidh and his officials to surrender, a main northern demand to end the war.

Southern officers said their forces, backed by air cover from warplanes, were shelling northern mountainous positions to the west and east of al-Anad base, on a main road to Aden.

Journalists visiting al-Anad battlefield from Aden early yesterday saw rival troops engaged in close-quarter battles near the base. Some southern troops were retreating south from the base and trucks packed with civilians fled the fighting.

Diplomats say the fall of al-

Anad to northerners would put Aden, a city of 350,000 people and stronghold of southern officials led by Baidh opposed to northern President Ali Abdullah Saleh, within range of northern rockets and artillery.

Aden residents headed to work yesterday morning and streets were packed with motorists and people.

Saleh and Baidh led the formerly separate states of north and south Yemen into a union of 13 million people, including 2.4 million in the south, in 1990 but fell out last year over the balance of power within the southern Arabian peninsula state.

Saleh now calls Baidh a secessionist rebel who should be tried for war crimes, while Baidh accuses Saleh of trying to annex the less populous south under the cover of unity.

Southern officers at the front said al-Anad base came under heavy artillery shelling on Monday night and some southern troops pulled back from advance positions.

Near the Wadi Tuban bridge over a dry stream northern shells slammed into a small village on the main road to Aden.

Iran blasts Saudi Arabia over Mecca police action

NICOSIA (Reuters) - Iran attacked Saudi Arabia yesterday for preventing Iranian pilgrims from holding a rally in Mecca and said it demonstrated an "American-style Islam".

Tehran Radio said Saudi riot police armed with automatic weapons sealed off Iran's haj (pilgrimage) headquarters in Mecca for a third day although Iran had called off plans for a "Deliverance from Infidels" rally yesterday.

Reporting from the Mecca headquarters, it said hundreds of policemen were guarding nearby streets and helicopter patrols had increased.

"They have turned a school building opposite into a military garrison," it said.

"It was only expected from Saudi Arabia to act like a lackey and ban the 'Deliverance from Infidels' ceremony," the radio quoted parliamentary speaker Ali Akbar Nateq-Nouri as saying in the open

session of the legislature.

"This ill-guided Saudi act clearly underlines the difference between American-style Islam and pure Mohammedan Islam," Nateq-Nouri said.

The latter term is used by Iranian officials to refer to the revolutionary brand of Shi'ite Islam dominating Iran since the late Ayatollah Ruhollah Khomeini's 1979 revolution.

Iran's supreme leader Ayatollah Ali Khamenei dwelled on the same theme in a haj message broadcast on Tehran Radio yesterday although he did not refer to Saudi Arabia by name.

"Those who refuse to accept the political content of haj in fact want Islam to be separated from politics... Separation of religion from politics is a slogan raised for decades by enemies of the rule of Islam in Moslem societies," he said.

Saudi Arabia's conservative

Sunni rulers, who control Islam's holiest shrines, have pledged to accommodate as many Moslems as possible who want to make the pilgrimage.

But they ban political activity during the annual pilgrimage which attracts more than a million Moslems from around the world and peaks on Friday.

Ayatollah Mohammad Mohammadi Rezaei, Iran's top haj official, announced on Monday night that the rally planned for yesterday was being cancelled so as to pre-empt any Saudi "provocation".

Last year Saudi police prevented Iranians from holding a demonstration in Mecca, sparking official Iranian protest.

In 1987, an Iranian-led demonstration in Mecca turned into a riot and more than 400 people, most of them Iranian pilgrims, were killed in clashes with Saudi security forces.

Dominican president moves ahead of main challenger

Incumbent Dominican President Joaquin Balaguer, who is blind, is assisted by an aide as he casts his vote in Santo Domingo in the national elections on Monday.

(AP)

LONGTIME ruler President Joaquin Balaguer overtook his main challenger in early electoral results yesterday. Opponents cried fraud, as they did in Balaguer's disputed 1990 victory.

The blind 87-year-old ruler led by 25,000 votes with more than one-third of the ballots counted from Monday's election, being closely followed in Washington and next door in Haiti.

Balaguer has been a key player in undermining world sanctions against Haiti, which shares the Caribbean island of Hispaniola with the Dominican Republic.

Haitian military leaders have been able to withstand international sanctions because Balaguer has allowed profitable cross-border smuggling. Dominican cooperation is necessary for the success of a broadened UN embargo imposed on Haiti, which takes effect Saturday to try to force coup leaders to step down.

ISMAEL TORRES

SANTO DOMINGO

In his last term, Balaguer succeeded in reducing annual inflation from 100 percent to 5 percent. The nation's strongman for 20 of the past 28 years, Balaguer has used government money to openly buy supporters, who are drawn mainly from the ranks of the nation's swollen bureaucracy and those who have gained under his paternalistic rule.

Jose Francisco Pena Gomez, 57, a former mayor of Santo Domingo, said yesterday that his party's polling projections gave him a huge lead over Balaguer despite what he termed "bald-faced fraud." Early indications were that the vote was much heavier than in 1990, when the election board declared Balaguer the winner by gaining fewer than 700,000 votes in a nation of 7.6 million people.

But with votes counted from 3,328 of the 9,528 precincts, Balaguer and his allied parties had 419,820 votes (43.6 percent), compared to 394,740 (41 percent) for Pena Gomez. The other major challenger, former President Juan Bosch, had 119,291 votes (12 percent).

The election board's first statement had given Pena Gomez a narrow lead.

Vote-counting was delayed after numerous complaints of fraud by opposition parties and international election monitors, extended vot-

ing three hours to 9 p.m. Monday. Pena Gomez said thousands of his followers were excluded from polling lists despite valid voter cards.

International monitors confirmed disenfranchisement of opposition voters in five cities, but said the election board later permitted many of them to vote during the extended polling hours.

The international monitoring teams, including an Organization of American States mission headed by former Canada ambassador John Graham, made strenuous appeals to the election board before the voting hours were extended.

Following a campaign in which 17 people were killed in political violence, there were fears that allegations of electoral fraud could provoke greater conflict. The latest killing occurred Monday when a soldier shot a local candidate for Pena Gomez's party in Mao, a city 210 km northeast of Santo Domingo.

Pena Gomez has called for a "generational change" in Dominican politics. He has pledged to form public-private partnerships to revive the economy and slow the exodus of Dominicans migrating overseas. Twelve percent of the Dominican population now lives in the United States.

If elected, Pena Gomez has not indicated he would change Balaguer's policy toward Haiti. But Pena Gomez would be under considerable world pressure to break the Balaguer government's long ties with the repressive Haitian military.

The writer covers defense on Capitol Hill for The Associated Press.

Dilemma for Clinton over plans for army bases

ANALYSIS

JOHN DIAMOND WASHINGTON

FOR President Clinton, closing military bases offers little to gain and much to lose.

Unless Clinton and the US Congress agree to a delay, the president faces the prospect of ordering dozens of bases closed and putting thousands of people out of work on the eve of his re-election campaign. And according to the president's own experts, by the time the savings from the 1995 round of base closings roll in, his second term would be over.

In part for these reasons, Clinton is considering deferring some base closures until after the 1996 presidential election.

The proposal contradicts the advice of the Pentagon's top generals and admirals, who view base closings as a way to free up money for modernization and new weapons. And it injects an element of politics into a debate that Congress sought to insulate from partisan and parochial pressures.

Under the base closure law, 1995 was to mark the last of four rounds of base closings and, by all official accounts, it was to be the largest single round.

"We are committed to as large a base closing in 1995 as we can do in a responsible manner," Deputy Defense Secretary John Deutch told a Senate Armed Services subcommittee today.

Because of the sprawling nature of the military base network, the resulting job losses would probably hit several large, politically significant states. In the 1993 round, for example, base closures were expected to claim more than 40,000 military and civilian jobs in California, 22,000 in Florida and 14,700 in South Carolina.

Ordering bases closed would be easier for Clinton if there were an immediate payoff to offset the pain. But closing bases costs money before it saves money. The costs include environmental clean-up and the transfer of hardware to other bases.

From the time a base is ordered closed, it takes an average of six years before the government starts to save money. Robert Bayer, the deputy assistant defense secretary, told Congress last week.

Under the law, after Clinton suffers the political damage associated with closing bases, whoever is president in 2001 will reap the savings.

Nor can Clinton count on savings from earlier base closure decisions.

An idea being considered by Clinton and US Defense Secretary William Perry is to add another base closure round in 1997 so that the 1995 round would be less severe.

Some lawmakers want to put off the 1995 base closure round entirely, arguing that the government is going too far too fast and may need some of these bases later if the military expands.

The writer covers defense on Capitol Hill for The Associated Press.

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A group of 360 Bosnian Muslim pilgrims, some of them using crutches as a result of war wounds, board a plane at Sarajevo yesterday on their way to Mecca. (Reuters)

Bosnian Moslems on the offensive

**Bold action
against Serbs**

**AIDA CERKEZ
SARAJEVO**

GOVERNMENT troops pressed one of their boldest offensives of the war yesterday after cutting Serb telephone links to western Bosnia and securing a key road northeast of Sarajevo.

UN reports indicated that the Moslem-led government was improving links between the capital, Sarajevo, and the large Moslem enclave of Tuzla 80 km to the northeast.

UN spokesman Maj. Rob Azmink said government troops had secured a road between Ojovo and Kladanj, about 40 km northeast of Sarajevo, bringing them closer to the Bosnian capital.

Government control of the road, a key north-south link between the government-controlled towns of Tuzla and Sarajevo, had been tenuous since a Serb offensive in January.

Elsewhere, the Bosnian Serb news agency SRNA said fighting on Mount Majevica northeast of Tuzla had damaged a communications tower, cutting telephone links to Serb-held parts of western Bosnia-Herzegovina.

That was unlikely to disrupt military communications, but it could be a psychological blow to Bosnian Serbs at risk of being isolated from mother Serbia.

The government army has more troops than Bosnian Serb forces, but the Serbs have superior firepower with tanks and artillery from the Yugoslav federal army.

That enabled them to seize 72 percent of Bosnia and surround enclaves such as Sarajevo and Tuzla, pounding them at will.

But recent Moslem gains suggest a reorganization of the government army last year to strengthen the central command has made it more effective.

"They are now in a position to challenge the Bosnian Serb army in limited fighting," said Paul Beaver, editor of Jane's Balkan Sentinel, in a telephone interview from London.

It was unclear how far the government intended to press its offensive. There has been speculation that a major battle took place at Brcko, 115 km north of Sarajevo, where the government may try to cut an east-west supply corridor that is vital to the Serbs.

The fighting dimmed chances of success for the latest peace initiative proposed last Friday by American, Russian and European foreign ministers.

Meeting in Geneva, they called for a four-month cease-fire and talks on dividing Bosnia between the country's Serbs and a Moslem-Croat federation.

The cease-fire period was deemed inadequate by the Serbs, who want a permanent truce, and too long by the Moslems, who fear the Serbs would use it to freeze battlefield gains.

In Belgrade, mediators Lord Owen of the European Union and Thorvald Stoltenberg of the United Nations discussed the plan yesterday with Serbia's nationalist president, Slobodan Milosevic.

Bosnia's minority Serbs launched the war in April 1992 when they rebelled against Moslem-Croat moves to secede from Yugoslavia. More than 200,000 people have been killed or reported missing.

Rwanda rebels accused of torture, massacre

UN accuses Patriotic Front for first time

NAIROBI (Reuters) - United Nations officials accused Rwanda's rebels yesterday of atrocities for the first time, while in Kigali the bodies of a woman and 10 children were found hacked to death by pro-government militias.

"UNHCR (High Commissioner for Refugees) has received disturbing reports, for the first time, of soldiers of the Rwandan Patriotic Front involved in tortures and massacres in Rwanda," spokesman Rupert Colville told reporters in Geneva.

The RPF, the rebel force dominated by the minority Tutsi, denied the allegations strongly.

"It is isn't true we have been torturing and killing people. We haven't done that and we don't intend to," said Doctor Emmanuel Ndiraho, a military adviser to RPF military commander Major-General Paul Kagame.

"I don't know why people are shifting the attention from the real problems and blaming the RPF for things that are not true," Ndiraho told Reuters by satellite telephone from the rebel headquarters in Mutuli in northern Rwanda.

Human rights workers, aid officials and reporters travelling inside Rwanda and in refugee camps

in neighbouring countries say they have no evidence that the RPF is harming Hutu civilians.

"We have no direct evidence (of RPF massacres)," said Samantha Bolton of the Medecins Sans Frontieres group of doctors which works inside Rwanda and in the refugee camps.

No UNHCR officials have crossed the border into Rwanda.

Witnesses have blamed massacres of up to 500,000 people from the Tutsi clan and opposition party Hutu on government troops and Hutu death squads running wild since Hutu president Juvenal Habyarimana was killed on April 6.

Abdul Kabia, executive director of the UN's Assistance Mission in Rwanda said in the capital that a Rwandan UN worker and 10 children were butchered by men probably from a Hutu death squad on Sunday.

"The information we have is that people in civilian clothes broke into premises with machetes and grenades and committed the atrocity," Kabia said. He added that the massacre took place close to the Hotel Milles Collines where 540 people, mainly Tutsis, are under UN protection from marauding Hutu militias.

Jasper Jensen, a UNHCR official on the western Tanzania border with Rwanda, said thousands of refugees were crossing the Akagera river, which marks the frontier, by canoe to join some 250,000 already in camps.

Jensen said he talked to refugees - most of them are Hutus - who alleged RPF soldiers had been killing and torturing people. One story said they had killed a group of men, women and children with machetes and rifles.

Another story alleged RPF guerrillas had shot at a group of 20 people running down a hill to the Akagera. The refugees said a canoe owner was shot dead and a boy was wounded in the arm.

Colville said the RPF was hog-tying people and throwing them alive into the Akagera river. Pro-government militias have been tossing corpses in Rwanda's rivers for weeks, witnesses said.

Bodies have been floating down the Akagera and hundreds of miles (km) downstream in Lake Victoria.

Ugandan state radio called on people in Kasensero village on the northwestern shores of the lake to avoid drinking or cooking with water from the Akagera.

Banda faces defeat as Malawians flock to the polls in millions

BLANTYRE (Reuters) - Malawians turned out in millions yesterday to vote in watershed elections that threaten to unseat one of Africa's longest-serving leaders who one newspaper said had made himself a god.

"For the past three decades, this country has been ruled by a god surrounded by others also aspiring to be gods," Malawi's independent Nation newspaper said, referring to veteran President Kamuzu Banda.

"Today is a culmination of a battle between gods and mortals," it added in a harsh front-page editorial which captured the mood of revolutionary changes that have swept Malawi since Banda lost his iron-fist grip two years ago.

Officials reported huge voter turnouts across the central African nation of 9.7 million people, where 3.7 million have registered for the polls, Malawi's first pluralist elections in 30 years of Banda's rule.

Steve Malilo, a voter in Blantyre, Malawi's commercial capital, told Reuters as he waited in huge queues to vote: "This is a defining moment in Malawi's history. For too long we were oppressed by Banda, but I hope today we are electing a new government and opening a new chapter in our history."

Political analysts say Banda, once revered by Malawians as a virtual messiah for leading the country to independence from Britain in 1964, is likely to lose the plebiscite.

They tip opposition leader Bakili Muluzi, who heads a grouping of pro-democracy campaigners and rebels from Banda's Malawi Congress Party (MCP), to win.

Muluzi, a 51-year-old former MCP secretary-general, is head of the United Democratic Front (UDF) which earlier this year teamed up with four smaller parties to contest the presidency. Two other opposition parties are field-

ing candidates in this poll.

In the parliamentary ballot, where 177 seats are at stake, a total of eight parties, including the MCP and UDF, are taking part.

The four parties which joined the UDF for the presidency poll are standing separately in this election.

Before the 3,000 polling stations nationwide opened at 6 a.m. (0400 GMT), Banda shocked the nation by saying on state radio that some shooting had taken place in the southern district of Nsanje and appealed for calm.

But the report was denied yesterday by the independent Electoral Commission supervising the elections, saying its information showed the shooting incident had been a robbery and took place on Friday.

"It's been all peaceful throughout the country so far. Voting is going on without any hitches," Commission press officer Morgan Mayani told Reuters.

Cairo police break up protest by lawyers

CAIRO (AP) - Egyptian police fired tear gas and used clubs yesterday to break up a demonstration by lawyers protesting the death of a colleague in government custody.

The Egyptian Lawyers' Syndicate and human rights activists allege that the attorney, Abdel-Harith Madani, who was 32, may have been tortured.

The syndicate, which sponsored the protest, wants the autopsy report made public. If not, it demanded yesterday that three independent doctors be appointed to examine Madani's body and determine if it shows signs of abuse.

The Interior Ministry, which had Madani in custody when he died, repeated its assertion yesterday that the lawyer had suffered an asthma attack. Madani had no history of asthma, his colleagues said.

The ministry also accused Islamic sympathizers in the Lawyers' Syndicate of "causing chaos which might lead to attacks against life and private property" with the demonstration.

It said 39 people had been arrested, including 27 lawyers.

The ministry statement on Madani's death contradicted hospital reports.

Earlier yesterday, a supervising doctor at the Cairo hospital where Madani died told The Associated Press he had suffered a "myocardial infarction," or a fatal heart attack.

Dr. Ajda Wassif said the death certificate listed this cause. She said it had been "sent to the (State) Prosecutor's office when they asked for it" last Saturday.

Madani, who defended Moslem extremists, was blindfolded and taken from his office by government security agents on April 26. His family was notified May 6 that he was dead.

The family was not allowed to look at the body before it was buried, the family's lawyers said.

The London-headquartered Amnesty International issued a statement last week saying there was evidence he was tortured by a branch of the State Security Intelligence.

The methods of torture used on Madani are reported to have included electric shocks applied to his body, beating and whipping," Amnesty said.



Egyptian security forces drag away a lawyer in Cairo yesterday after clashes between police and demonstrators demanding an inquiry into the death of an attorney who was taken from his office on April 26. (AP)

Bones of 500,000-year-old man reported found in England

LONDON (Reuters) - Europe's oldest man lived 500,000 years ago, ate elephant and was tall and robust, British archaeologists said yesterday.

Their findings came from analysis of a piece of ancient shin bone discovered last December during an archaeological dig in a quarry in Sussex, in Southern England.

The bone, part of which was shown to journalists at a news conference in London, has enabled researchers to paint what one called "an extraordinarily vivid picture" of the first known example of human life in Western Europe.

Stone fragments have been the only previously discovered evidence of life of such antiquity in Western Europe. Other finds of human remains have been at least 100,000 years younger.

"Boxgrove man," named after the site where the bone was discovered, was over 1.83 metres tall, weighed more than 80 kg and lived on rhinoceros, elephant and other animals, journalists were told.

"He was a robust male, a man as we would recognise as man today," said Geoffrey Wainwright, Chief Archaeologist with English Heritage, the government body which funded the ten-year excavation that uncovered the bone.

Wainwright said that Boxgrove man's remains lay beside the site of a stream in an area once used for butchery.

Scattered animal bones showed he had dissected carcasses with stone tools he made himself from flints taken from a nearby cliff, the archaeologist added.

The bones included those of deer, mink, wolves and voles, with many of the animals similar to those in existence now.

Mark Roberts, the archaeologist responsible for the site, said there was no evidence of Boxgrove man using fire. Nor was it clear, he added, whether he killed animals himself or scavenged carcasses opportunistically.

Scientific testing and nearby animal remains have confirmed the dating of the bone. "Now we know what date man reached Europe from Africa," Wainwright said.

"It was at a time when the Channel Tunnel was not needed as Britain was a peninsula."

The land link between Europe and Britain later submerged as ice ages changed the contours of the land. Human remains more than three million years old have been found in Africa.

The excavation site was shut down after the shin-bone, thought to be from Boxgrove man's left leg, was discovered. The archaeologists will return next year and say they hope to find more of Boxgrove man's remains.

South African police search for more white right-wingers in bomb attacks

JOHANNESBURG (AP) - Police are looking for 21 militant right-wingers who allegedly planned to disrupt Nelson Mandela's presidential inauguration with a huge bomb and are suspected in pre-election blasts that killed 21 people.

Thirty-four whites already are in custody in the attacks and appeared in court Monday at the start of a bail hearing. The hearing was continuing yesterday as police searched for 21 additional suspects.

A reward of 400,000 rand (\$121,212) was offered for information leading to the men, most of whom are members of the neo-Nazi Afrikaner Resistance Movement, a militaristic group that has vowed to wage war rather than live under black rule.

Leaders of the group - known

by its Afrikaans-language initials AWB - denied involvement in the attacks, which raised fears of a blood bath during the country's first multiracial election April 26-29.

The last bomb occurred April 27 and blew a hole through the ceiling of the Johannesburg airport's international departure section. Blasts in the days leading up to the vote killed 21 people and targeted blacks, including the headquarters of Mandela's African National Congress.

At the bail hearing Monday, police Col. Cornelius van Wyk said the bombers were part of a "fanatical and dedicated group" that wanted to derail the elections. Those arrested, who include a minor, are charged with murder and attempted murder and have been in custody since their arrests April 27.

They include several top AWB officials but not the group's leader, Eugene TerreBlanche.

Van Wyk said militants planned to detonate several tons of explosives at Johannesburg's airport May 10 as Mandela was being inaugurated the country's first black president. The arrests and the confiscation of arms and ammunition foiled that plan, he said.

Militant whites opposed the dismantling of apartheid, which led to last month's election and the transfer of power from the white minority to the black majority. The ANC won the election with more than 62 percent of the vote.

Mandela has promised to respect the rights of whites and other minorities but refuses their demands for a separate white homeland.

UK urged to take tough line on IRA

LONDON (Reuters) - Northern Ireland politicians who want to maintain links with Britain demanded on Monday that any clarification of last December's Anglo-Irish peace plan for the troubled province should not lead to negotiations with the IRA.

Irish Prime Minister Albert Reynolds said at the weekend that Britain's response to questions

about the peace plan posed by Sinn Fein, the IRA's political wing, could break the deadlock.

"The questions by and large are answerable, and I hope that the British government will give the most positive response they can," Reynolds said in Indianapolis, where he met President Clinton.

British officials said Northern Ireland Secretary Sir Patrick May-

hew was likely to answer the 16 questions, relayed to London by Dublin last Friday, later this week.

Although Mayhew has insisted he will not negotiate with Sinn Fein until Irish Republican Army (IRA) guerrillas lay down their arms, pro-British Protestant politicians expressed concern that Prime Minister John Major's government might soften its line.



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The Arafat bombshell

ONE of the most unfortunate - and perhaps tragic - casualties of the agreement with the PLO is the government's credibility. It used to be that when PLO chief Yasser Arafat made an incredible statement about Israeli actions which the government denied, the public had unwavering confidence in the government's version. Arafat, who has charged with great fanfare that an imprint of an ancient coin on a contemporary Israeli coin is a secret map of Israeli expansionist plans, is not famous for his integrity and truthfulness.

Yet the experience of the past year has made it difficult to summon complete faith in the government's veracity. There have been too many denials - first of contacts with the PLO, later of concessions - which proved false, and too many pledges not to cross "red lines" which proved worthless.

That is why yesterday's revelation that in a Johannesburg speech last week Arafat boasted of a secret letter from Prime Minister Yitzhak Rabin on the issue of Jerusalem is so disturbing. A year ago, Rabin's flat denial of the allegation would have been sufficient to have it dismissed as yet another Arafat fabrication. Today, one cannot ignore an assertion by Tsomet MK Moshe Peled that Rabin is not being candid; that there are in fact five secret appendices to the Cairo agreement with the PLO, which include a promise to negotiate the fate of Jerusalem, just as Arafat has said.

Unfortunately, the government is in a no-win situation in this case. If Arafat is telling the truth, the government has not only been caught in an outrageous, unacceptable falsehood but a betrayal of the people's confidence. If, as is still most likely, Arafat is lying, Israel has signed an agreement with an unconscionable liar who propagates fictions on the most momentous matters of state.

Even more upsetting is that in his speech Arafat also called for continued jihad - a holy war against Israel. By announcing "the jihad will continue" he not only advocated a terrorist war, he admitted that it has been going on with his approval.

But here, too, the government's pronouncements suffer from an almost total absence of credibility. Speaking with his usual conviction and determination, Rabin re-

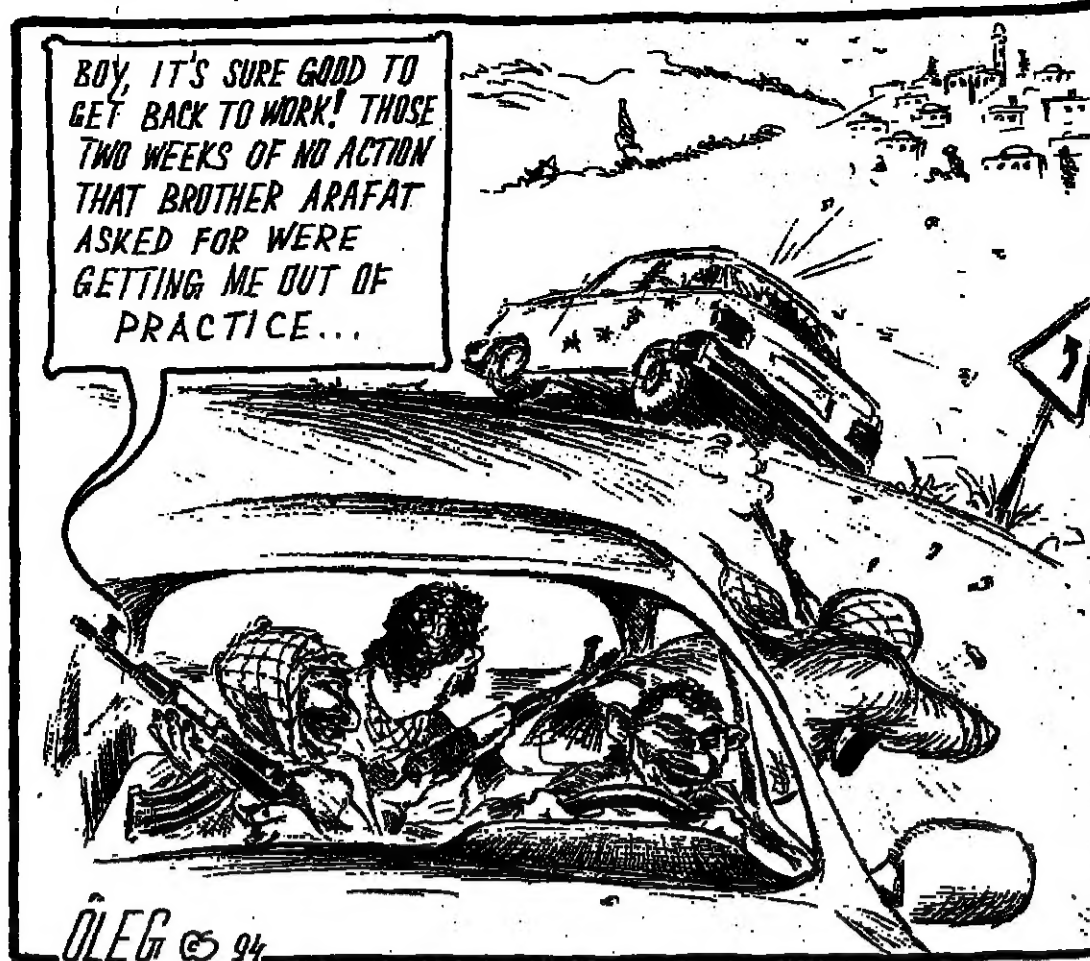
sponded with: "This is a grave violation of Arafat's commitment to renounce terrorism, which he made in his letter to me, and which brought about the mutual recognition between Israel and the PLO. We cannot accept this. If he said these things it puts the whole agreement in question." Foreign Minister Shimon Peres was almost as outspoken: "Arafat's words are shocking, unthinkable," he said. "We shall examine precisely what was said and react accordingly."

Regrettably, the only thing clearer than these unequivocal responses is that the government will do absolutely nothing. It may demand an explanation from Arafat, to which he may respond with some vague evasion, but it will take no action. It is almost certain that the government will eventually adopt a line previewed by deputy defense minister Mordechai Gur yesterday: "This is the nature of our neighbors," he said. "We have not chosen them, but these are the only people we can deal with. We must get the best conditions we can, and hope we can achieve peace."

The government's acceptance of incitement to terrorism and its indifference to violations of signed agreements are not lost on the Arabs. Nor is the incredible phenomenon of Israeli leaders parroting Arab rationalizations for terrorism. In his Cairo speech, Rabin compared Israeli killing of Arabs over the past century to the killing of Jews by Arabs. Such mindless exercises in "moral equivalence" mock the whole Zionist enterprise.

In the same spirit, Labor MK Yael Dayan, impatient to excuse the murderous attack on car passengers near Hebron by Palestinian terrorists - the kind of attack repeated numberless times in Judea, Samaria and Gaza in the past year - said yesterday that it came in response to the shootings at stone-throwers by yeshiva students in Hebron the day before.

Hearing their case pleaded by Israeli politicians, PLO leaders can hardly be blamed for assuming they need not keep any of their commitments. On the contrary. The more active the terrorist campaign, the more Israelis seem to accept Arab positions. Those who advocate skipping the interim period, withdrawing from all the territories won in the 1967 war and welcoming the establishment of a Palestinian state are now bolder than ever.



Advent of the powerless

JON SIMONS

IN these days of news cameras that bring us history in real time, we can choose for ourselves which image we wish to inscribe in our memory to symbolize the historic event we are viewing.

The transfer of authority from the IDF to the Palestinian police in the autonomous areas of Gaza and Jericho last Friday was certainly a historic event, whatever one's opinions about it may be.

The telling image I choose as my symbol was captured by the Israeli TV crew. A little girl, about two years old, was thrust into the arms of a Palestinian policeman, freshly arrived from Iraq. The girl promptly burst into tears because, the Israeli commentator told us, she assumed they were Israeli soldiers. Despite the exclamations of those around her that "They're not Jewish!" the girl continued crying and was returned to her mother.

Had the little girl missed the historic significance of the moment in which Palestinians first assumed formal authority over themselves? Or had she not seen through the nationalist celebration to the simple fact that the armed presence of Hebrew-speaking men was being replaced by the armed presence of Arabic-speaking men? Perhaps her frightened sobs forewarn of the potential misuse of power by those who will govern in her name and in the name of her people.

The adult Palestinians who greeted their new police force enthusiastically were probably as moved as Jews first were to see soldiers in the uniform of the Jewish state's army. Just as for the little Palestinian girl, for most Jews the sight of armed soldiers had previously signaled danger, the arrival of an enemy presence in face of which they were defenseless. The sanctioned arming, then, of Jews and now of Palestinians, embodies a shift from reliance for protection on the whim and goodwill of others to self-reliance; from helplessness to security.

ty; from powerlessness to power.

National empowerment is indeed an uplifting experience, but one that brings its own dangers. One might hope optimistically or naively that a people which has experienced powerlessness and defenselessness will use power carefully, attentive to the vulner-

The Palestinians can hardly be expected to rule with restraint, after all the years Israel kept them down

bility of those subject to its power, respectful of their rights and with consideration for their interests.

HOWEVER, it is too much to expect of a nation that has barely wielded power to behave more morally than any other.

During the 27 years of occupation, Israel behaved much like any other nation occupying another. Not that Israeli military government was worse than any other, but the notion of an "enlightened occupation" was a myth. The absolute power of military rule did not corrupt us absolutely, but it produced a system of government based on the abuse of economic, political and human rights.

The Palestinians are undertaking limited self-rule rather than the occupation of another people. Yet, armed governments tyrannize their own people as much as others, and there is no reason to believe that Arafat's government will be immune to that temptation. No issue of autonomy seems to have been discussed as much as that of the police - how many

there should be, how they should be armed, how they should be dressed. A government based primarily on police power is likely to turn into tyranny.

Indeed, one suspects that this is precisely what Rabin would like to see the new Palestinian authority become, judging by his typically illiberal declaration that the PLO would rule Gaza "without B'Tselem and without appeals to the High Court of Justice." Any government lacking judicial, liberal and democratic controls is apt to become authoritarian.

Israeli settlers expressed alarm at the prospect of finding themselves under the authority of armed Palestinian police. However, those in real danger from Arafat's police are his internal political opponents, those who challenge his policies and autocratic leadership; those who prefer their national empowerment to take the form of government of the people, for the people, by the people.

One hopes that Palestinian self-rule will not become a police state; that democratic elections will be held shortly to elect the autonomy authority; that the future Palestinian state will have its B'Tselem and High Court; that there will be two democratic states for two peoples.

One hopes so, as it is in Israel's interest to have democratic neighbors, because societies which have peaceful democratic means of solving internal conflicts tend to deal with international disputes in the same way.

One hopes, but more than hope is needed if the danger heralded in the little girl's sobs is to be averted. What she told us, as babes and sucklings often do, is what we should already know: that power corrupts, but it corrupts most absolutely those who have been corrupted by powerlessness.

The writer teaches political science at Hebrew University.

Whale tale

SUSAN HATTIS ROLEF

HAIM Ramon will go down in the history of Israeli politics as the man who broke away from his parent party, ran independently in an election against it, and won. Not even David Ben-Gurion or Moshe Dayan managed to achieve this.

Of course, a difference between Ramon and his predecessors is that they had all run in Knesset elections, while he ran in Histadrut elections, under rather unusual circumstances - a genuine public desire for change.

What convinced me that my predictions about Ramon's healthy political instincts were correct was that both a neighbor, a member of Betar back in Argentina and a Likud voter ever since arriving in Israel, and my Arab car mechanic from Beit Safa informed me a day or two before the Histadrut elections that they were planning to vote for Ramon.

Ramon read the map correctly. The public was ready for a change, but it needed an attractive candidate to vote for. Had Likud leader Binyamin Netanyahu read the map as correctly, he would have found a way to place Meir Sheerit, instead of

Will Israeli democracy pass the 'boiling point' test in the Histadrut?

Ya'acov Shamai, at the head of the his party's Histadrut list.

Had Yitzhak Rabin read the map correctly, he would have made much greater efforts to keep Ramon in the government back in January, while getting Ramon's original National Health Bill into the law books without delay.

Netanyahu's weakness in map reading was, however, more damaging to the Likud than was Rabin's to Labor. Ramon's Histadrut victory might still prove one of the best things that ever happened to Labor, despite Haberfeld's embarrassing defeat.

Haberfeld's candidacy was a trap, and Labor fell into it. The trap was first prepared by the Histadrut's former secretary-general, Yisrael Kessar, who designated Haberfeld as his heir and managed to get him instated as acting secretary-general without elections when he became transport minister. That gave Haberfeld a year and a half in the job before having to stand for election.

Most Labor leaders knew Haberfeld wasn't what the Histadrut really needed at this juncture, but they were too preoccupied with other matters to do anything about it. And the Likud's placing Shamai at the head of its own list further lulled Labor leaders into a sense of false security. They were thus totally unprepared when Ramon decided to act.

IT IS part of Labor Party ideology that the Histadrut should remain much more than just a labor federation. This explains why Haberfeld and his men resisted any but absolutely unavoidable reforms, instead of initiating reform as Ramon plans to do.

Only a coalition between Ramon and the Histadrut Labor Party faction - acting as a brake when Ramon's pace gets too fast - can save the whale from running aground and bring it back into the deep water.

Labor's problem is how to ensure that it reaps the political fruits of the success it hopes for. It is in Labor's interest to be able to face the electorate come the next elections with major achievements not only in the peace process and the economy, but also in the Histadrut.

To achieve this, Labor leaders must ensure two things. First, that in the next elections, Ramon runs for the Knesset on its list, and not at the head of a new social democratic party; and second, that Haberfeld and his men do not sabotage the smooth transfer of power in the Histadrut to Ramon.

In the 1950s, the late Prof. Binyamin Akzin coined the term "the boiling point of Israeli democracy."

Akzin feared that if and when Mapai (Labor's predecessor) lost an election for the first time in its existence, the smooth transfer of power to the winning party might be sabotaged by the labor establishment. Israeli democracy, he said, will have passed the test only if it comes through this "boiling point" safely.

Israel's democracy passed the test with flying colors in the 1977 political upheaval. It will be the irony of history if it fails in the Histadrut.

The writer is editor of the Labor movement monthly, Spectrum.

LETTERS TO THE EDITOR

APPEAL FOR REAL PEACE

Sir, - The massacre at the Hebron mosque and the subsequent killings at Afula should reinforce the determination of those people who aspire to a peaceful settlement between Palestinian and Israeli.

As a Palestinian whose father was born in Jerusalem, I condemn Dr. Baruch Goldstein for the killing of innocent people who were praying at their house of worship, and I also condemn the Hamas killers who murdered innocent Israelis and Arabs in Afula 40 days later. I particularly feel saddened that Hamas would celebrate these killings, just as Goldstein's compatriots celebrate his murderous deed.

The killing must stop.

The only way to give peace a chance is if we, as Palestinians and Jews, can put aside the self-serving rhetoric, concentrate on the positive progress forward, and start treating each other as human beings, rather than as political symbols.

THE LEGALITY OF RESISTANCE

Sir, - We are witnessing the sentimental resurrection of Richard Nixon, America's great political criminal.

This might not be a vital issue for Israelis were it not for two matters. First we have to qualify the frequent claim that Nixon "saved" Israel during the Yom Kippur War. In the end, the American airlift was essential, but it was preceded by stony indifference toward Israeli casualties as Nixon and Kissinger pursued larger global plans.

Moreover, the Israeli ambassador during the years of Nixon's unhappy tenure was Yitzhak Rabin. Then, Nixon showed hostility toward democratic values while he undermined the legality of resistance to the Vietnam War. He pursued a totalitarian agenda working to deny the prerogatives of the Congress and the opposition while setting itself against freedom of the press, speech and assembly.

boils of our own personal emotions and anger.

There are many Palestinians like myself who believe that the survival of both Palestinians and Jews rests on whether or not a real peace can be achieved.

Although many of my own people oppose the Declaration of Principles between Israel and the PLO, I urge them to look at the past history: 100 years of bloodshed, and a track record that has conceded every single inch of Palestine to Israel.

And I ask the Israelis who oppose the accords to examine the record also. There is no question that Israel can survive any assault and any attack from the Arab side. But, is that the Zionist dream that brought World Jewry to Palestine?

RAY HANANLA
Chicago.

Goldstein's compatriots, with rare exceptions, condemned his murderous deed. - Ed. J.P.

KIPPA-CLAD CRIMINALS

Sir, - I would urge Netty C. Gross to be less concerned with the white-collar crime currently in evidence throughout the Orthodox circles of American suburbia ("An embarrassment of riches," April 29). Her, um, rapier-sharp wit and biting sarcasm might be better applied to issues more pressing in nature and to phenomena more current than the moral and halachic dilemmas of kippa-clad criminals.

Regardless of where it's placed, crime breeds on both sides of the mezitza. Whether focusing on religious/secular, rich/poor, inner city/suburban, or Israel/Diaspora, there are those who will search high and low for ways to somehow get their grubby little hands into other people's pockets, sometimes succeeding and sometimes not.

But that nice, well-bred yeshiva boys should be involved in activities clearly contrary to the Laws of Moses is hardly recent, nor is it strictly a product of the recessionary Nineties. Insurance frauds, income-tax evasion, falsified procurement contracts and illegal investment schemes have been around for decades.

If, therefore, the point of Netty's article was to bring to the forefront the fact that there exists those who can, with equal aplomb, both quote and violate the Rambam's code of ethical conduct in business matters, well, she's a bit too late. As secrets go, it's old hat.

BARRY NEWMAN
Ginot Shomron.

CURIOUS CONSIDERATIONS

Sir, - A mayor convicted of a criminal offense in knowing defiance of the law not only has the gall, supported by the judge's odd view of moral "normality," to cling to office, but is "...worried about what may happen to other mayors accused of similar offenses." The judge considers there are mitigating circumstances because his behavior was "...no different to that of many other mayors" (April 25).

It is not only the quality of local government that must worry us - how many mayors are under criminal investigation or face proceedings at the moment? - but the judgment of those who appoint judges. This is not the only one to have applied some very curious reasoning to the mitigation of criminal offenses. Are there no moral standards in the courts? Netanyahu. J.J. CHERNS

QUEEN HELENA

Sir, - I refer to Abraham Rabinovich's article of April 21, "Turkey may loan Shiloah carving for capital's birthday." It is not the sarcophagus of the Empress Helena, now in the Louvre, which Israel would like to borrow from Paris, but that of Queen Helena of Adiabene.

This queen was buried in Jerusalem around the year 50 in the so-called Tombs of the Kings outside Damascus Gate. She embraced Judaism with her two sons. Princes of her house fought with the Jews against Rome.

ELI ROTHSCHILD
Tel Aviv.

South America is to get its first female 'rabino'

Analia Bortz's first challenge will be to fight assimilation by showing youngsters the universality of Jewish values, she tells Judith Sudilovsky

WHEN Analia Bortz is ordained in Buenos Aires this July, she will become South America's first woman rabbi.

Not that pushing aside barriers is anything new in her family. More than 30 years ago her mother was the only woman in her medical school class in Argentina.

"I feel like I am a rabbi just like my male colleagues," said Bortz, 27. "There shouldn't be any special attention paid to me. What is important is that this shows that they are making room for women rabbis."

Bortz will also become the first woman rabbi in South America when she finishes her instruction in November. She has been studying here with a Conservative rabbi and will go to New York for the final week of training.

"I'm studying this for emergencies," Bortz said. "I don't know where we may get positions in the future, and it may be a community where there is no mohel. I don't want to pass up the opportunity to help a father perform the mitzva of the brit mila."

Bortz and her husband, Mario Karpuz, who will also be ordained as a rabbi this summer, came here from Argentina with their three-year-old daughter Tamar to complete their rabbinical studies at the Conservative movement's Seminary of Judaic Studies in Jerusalem.

There are about 10 rabbinical students at the Rabbinical Seminary in Buenos Aires and Bortz is one of two women students.

"I never encountered any problems because I am a woman," Bortz said. "There were some jokes and some hinting around, but mostly I don't remember any."

specifics because they weren't important... What is important is that we be a Jewish family and that we be able to transmit the importance of that to others. Mario and I are lucky because we have the opportunity of working together, which enriches our family life."

Once she and a group of male colleagues sat down to review what Jewish texts said about female rabbis, discovering it was acceptable for a woman to become one, Bortz said.

"Slowly women are regaining our place in society," she said. "I'm not a feminist and I think it's important that nobody negates their biological condition. In many respects women have a special sensibility which not all men have. On the other hand, men can look at things from a distance, which not all women can. The combination is important."

During their studies in Buenos Aires, Bortz and Karpuz worked together in various synagogues; he at the pulpit and she as a teacher. If South America has been slower than its northern neighbor in accepting women rabbis, Bortz isn't resentful, nor does she feel she needs to lead a revolution.

"In the United States it also took a lot of time," she said. "Women started becoming rabbis about 10 years ago. It's a step-by-step process, where everything has a social impact. It should be done slowly, because if you take steps which are too big, you can fall down much harder. Society just has to catch up."

Society will also have to come up with the proper Spanish terminology for women rabbis. For now Bortz will go with the masculine "rabino"; maybe later it will be changed to the female "rabina."



Bortz: You can't reach youth through rituals; you have to show them that the human values they seek are in our Tora. (Berman)

line "rabino"; maybe later it will be changed to the female "rabina."

Bortz pointed out that the family name of one of the last scholars to compile the Talmud was Rabina.

Bortz did not always plan on becoming a rabbi. She comes from a family of doctors and she too followed the tradition.

But on the side, she also studied for a teaching degree in Jewish Studies at the Rabbinical Seminary. It was there she found the human facet she couldn't find elsewhere.

Bortz finished her medical studies specializing in diagnostics and imaging (ultrasound) and decided to continue studying for the rabinate as a personal challenge —

not only to see if she would be accepted as a student but also if she could transmit to others the things she has learned.

A good teacher has to both receive and give, Bortz said, and the continuation of Judaism depends on the ability to transmit it.

Being in Israel has shown her new meaning to many Jewish traditions, said Bortz. For example, she said that in Buenos Aires they used to travel on Shabbat to get to the synagogue, but here her family can walk to synagogue in their Beit Hakerem neighborhood and she has discovered the spirituality of Shabbat.

The biggest problem facing the South American Jewish community is assimilation, she said. Her

first challenge will be to show young Jews the universality of Jewish values and demonstrate they don't have to withdraw from the modern world to be Jewish.

Instead of turning away when two of her friends began seriously dating non-Jews, Bortz went about showing the non-Jewish partners what she sees as the beauty of Jewish traditions and values.

"When you talk about this to a mixed couple, they feel that somebody cares," she said. "You respect the non-Jewish partner and try to bring him in — you don't try to separate the couple. You can't reach youth through rituals; you have to show them that the human values they are searching for are all here in our Tora. Young people today are desperately looking for answers and a rabbi has to get close to them."

Bortz hopes she and her husband can work together in the same synagogue in Buenos Aires, where she has many relatives.

Close to 70 percent of Argentina's affiliated Jewish community are members of the Conservative movement, she said. About 50 rabbis have graduated from the Rabbinical Seminary and most have posts in Argentina and other South American countries. After graduation, the rabbinical students have no problem finding positions, Bortz said.

"I hope and feel that the communities will accept me," she said. "They will be open enough to see that this is important for society."

Upper crust shakes crumbs from its attics

A car-boot sale is different when the car is a Mercedes, Mick Brown reports from Hereford

RUDE videos... Lady Cotterell paused a moment to savor the idea.

In the drawing room of Garmons, the Cotterell ancestral home 11 km. outside Hereford, western England, the family portraits in their gilded frames gazed down impressively on the capacious sofas, the pot-pourri in porcelain bowls, the collections of snuff-boxes on the rosewood tables. All was proper and seemly.

"Rude videos... that's what you usually find at car-boot sales, isn't it?" Lady Cotterell said. "But I don't think you'll find any here!" Of course not. Car boot (trunk) sales are one thing. Country house car-boot sales are another.

Car-boot sales, similar in intent to yard and garage sales, have a certain form: ordinary folks unloading the family saloon, to disgorge hoards of cracked vases, odd spoons and forks, and dog-eared paperbacks; generously shouldered gents named Dave or Terry offering suspiciously impressive clocks, pirated copies of *Jurassic Park*, car radios missing their brackets.

Lady Cotterell's car-boot sale over the weekend was somewhat different. Dave and Terry do not number among the friends she had

invited to open their car boots and man the stalls. Instead, there was Lady Sarah Baily, the Hon. Mrs. S. Legge Bourke, the Hon. Mrs. Mackay Lewis, Col. Sir Piers Bengough, the Hon. Mrs. Kington.

There was a gleaming 1972 Mercedes owned by Lady Cotterell's brother-in-law, Tom — a car-boot item in itself, on offer for £6,500. There were cracked porcelain vases, hunting-prints, the detritus of attics, wardrobes and garages. It was, in short, junk, but of a grander variety.

By 6 a.m., the first visitor was waiting patiently outside the wrought-iron gates of Garmons. By 7, the professional dealers were arriving in convoy, and by 7:30 — succumbing to commercial imperatives — Lady Cotterell herself had already taken £150 in the second-hand clothes tent. By 11, the traffic was jammed halfway back to Hereford, and the car-booters were drawn up in a semicircle, like a wagon-train overrun

by a whooping and bloodthirsty tribe of bargain-hunters.

It's a growing phenomenon, the stately car-boot sale. Last year, 15,000 people turned up at Nostell Priory in Yorkshire for what was dubbed the first Lady St. Oswald invited friends such as the Countess of Mexborough and the Marquess of Zetland. Shoppers exchanged fistcuffs over the ball dresses, soup tureens and Lady St. Oswald's fur coat.

Lady Cotterell acknowledges Garmons isn't really in the Nostell Priory league. "We don't aspire to be a stately home. Ours is just a country house really, isn't it?" How many rooms exactly? Lady Cotterell wasn't sure. "About 35?" Lady St. Oswald had butlers serving tea at her car-boot sale; Lady Cotterell had Boy Scouts.

Built in 1866, Garmons is the west wing of what was once an even bigger mansion. The bulk of the house was torn down in 1957. "Thank God," said Lady Cotterell.

"We wouldn't be allowed to pull it down now. And we could never afford to run it." The library of the old house is now an outdoor swimming pool. The old morning room is still standing and is used as an orangery.

The country-house car-boot sale has an appeal that goes right to the heart of the traditional English preoccupation with class. It has the delicious hint of the upper orders being so ravaged by the vicissitudes of the economy that they are reduced to scraping around the attic to raise a few pence. To the shopper, it holds out the prospect of acquiring something from the top drawer at a knock-down price.

Lady Cotterell's sale was for charity. Car booters and traders were paying £30 for a pitch, all of which would go to the Samaritans. But they hoped to make a little something for themselves. Lady Cotterell hoped to make "around £300" for herself out

of the back of her Saab.

The contents of Lady Cotterell's attic proved to be the customary mixture of family hand-me-downs, discarded Christmas presents, exhausted utensils.

There was the dress she had bought for her daughter's 21st birthday, and a suit from London's fashionable Beauchamp Place, at £50. She was still deliberating over her fur coat.

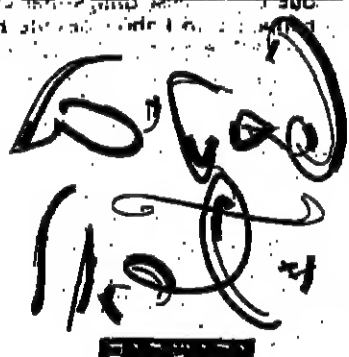
There was one cracked tea cup, £5, a set of Worcester candle sticks. "They're badly cracked; if they were perfect they'd be £130."

"All that lot is going too," said Lady Cotterell, pointing to a cardboard box.

I started rummaging. A Great Western Railway jigsaw puzzle, 400 pieces; sundry cookery books. I spied the video... Lady Cotterell's attention was elsewhere.

I pulled it out of the box and gave it a quick once-over. It was that hot little item, produced by the Rural Development Commission. *People in the Countryside Matter*.

(The Daily Telegraph)



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Rebecca Crown □ El Tricicle — comedy, 7 p.m.

Foyer □ Woodwind quintet, 5 p.m.; Albert Pimental Trio — jazz, 11:30 p.m. (both free)

Amphitheater □ South American music, 5:45 p.m.; Israeli song, 7 p.m.; Spanish and gypsy music, 8 p.m. (all free) □ Circus acts, 6:45 p.m. (free)

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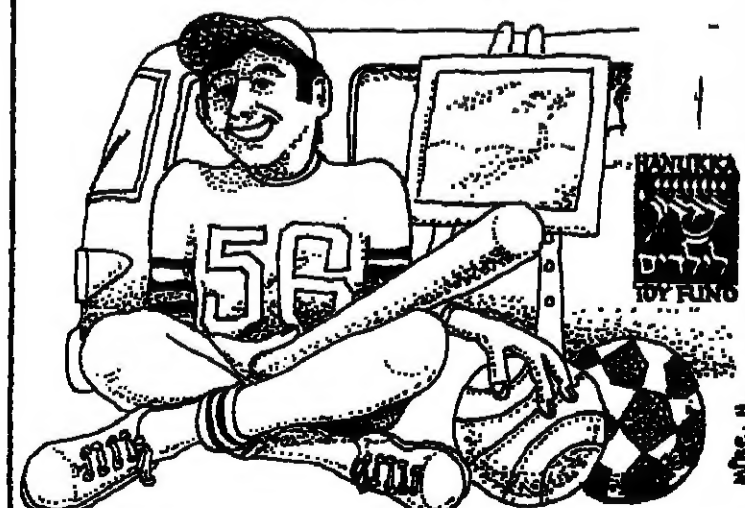
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Syria's media: Assad through the looking glass

SOME foreign commentators this week expressed surprise that Syria chose a newspaper, *Tishreen*, to announce a shift in its negotiating stance over the Golan Heights - Damascus apparently would now accept a phased Israeli withdrawal.

Surprise indeed - but the surprise is that there are still people around who don't know that in Syria the media equals the government, equals the state, equals President Hafez Assad.

The level of repression and terrorist control of the population in Syria by Assad's small Alawite clique is beyond the imagination of anyone who has not spent some time there.

The iron clamp is tightest on the media.

Syria's newspapers are of relatively recent origin. All earlier independent or party-affiliated media were shut down when Assad's Ba'ath Party seized power in the 1963 military coup.

Hence the oldest existing newspaper is *Al-Ba'ath*, founded in 1946 as the organ of the party.

The "government newspaper" *Al-Thawra* ("Revolution"), was founded in 1963. In 1974, Assad himself started *Tishreen* ("October") - named for the 1973 war "victory" Syria still proclaims.

The Ba'ath Party constitution contains a provision that says: "Freedom of speech, assembly, religion and art are

sacred. No authority has the power to suppress them."

The same party, when it became the government, enacted a sweeping State of Emergency law whose Article 4 gave the state the right to control all news media, publishing outlets and means of artistic expression.

It also may - and does - seize and destroy domestic and foreign works of expression "which threaten security."

APART from the three main newspapers, there is an English-language daily, *Syria Times*. Its equivalent in an Arab country would be the *Jordan Times*.

However, Jordan's daily is fairly well-written, quite accurate on news and by no means outrageous in its opinion pages. The *Syria Times* is the regional laughingstock of media professionals.

Its English is illiterate, hysterical and a frequent source of entertaining howlers. News of daily life in Syria is nonexistent, and *Times* space is equally divided between fawning adulation of Assad's every move and screaming tirades against Israel.

The circulation of all Syrian newspapers, around 200,000, is tiny for a population of some 12 million.

The papers are under the control of the Information Ministry and for content depend almost entirely on the output of the official Syrian Arab News Agency (SANA). The Information Ministry also

conveniently runs SANA and writes its output.

The line between being a quite well-paid, comfortable and trusted journalist and being a forgotten nonperson in some ghastly prison cell is a thin one indeed - and woe betide the editor who isn't nimble enough to notice when the line shifts a fraction.

MARWAN Hamawi, the director of SANA, failed to be nimble enough in 1975 when the agency ran a report that was interpreted as "pro-Iraqi" at a time when Assad was fuming against the brotherly Ba'ath regime in Baghdad.

As far as anyone knows, Hamawi still languishes in the notorious al-Mezze prison in western Damascus - from which there is a picturesque view of the presidential palace.

The danger line can also be difficult to see until the *muhabarar* (secret police) come banging on the door to improve a journalist's vision.

Former *Tishreen* editor Amid Khuly, a thoroughly dedicated and careful cog in the Assad machine, innocently ran a news agency report on the 1987 Arab League summit in Amman.

A typical dry, factual Reuters dispatch,

it merely noted, for the record, the main points of the final communiqué. Assad himself had signed the communiqué, so the unsuspecting Khuly printed the Reuters piece.

Unfortunately, the Arab League had included a routine sentence of support for Arab Iraq in the Iran-Iraq war.

Assad, signatory or not, was strongly allied with Iran and exploded in fury because *Tishreen* had made him look like a two-faced fool. Exit Khuly into obscurity, via a most unpleasant spell with *muhabarar* interrogators for his suspected disloyalty to the president.

Oddly enough, Syrian newspapers do occasionally run critical articles on some aspect of society or the economy, but the limits are severely controlled.

Such pieces are in the style of the "honest self-examination" exercises beloved of former communist regimes, who liked to prove it wasn't all duty-free shops and personality cults at the top.

THERE are, of course, subjects that are totally taboo. Saying anything positive about Israel is a major crime, second only to saying anything negative about Assad. References to opposition groups or minorities are forbidden.

The most taboo minority, strangely enough, is Assad's own ruling Alawite group, a Moslem sect totaling 12 percent of the population but holding 100 percent of the power.

Any editor who reminds Syrians that the orthodox Sunni majority is under the repressive thumb of a minor sect is unlikely to win the luxury of a life in prison. In the 1980s, prominent journalists Salim Lawzi, Ali Jundi and Riyad Taba were murdered in Beirut. Salah Bitar was shot in Paris and Michel Nimri in Athens for this sin.

The danger reaches beyond native Syrians. In June 1980, Reuters correspondent Bernd Debusman was shot four times in the back in Beirut as he walked home after a get-together with most of the foreign press corps - including BBC journalists Tim Llewellyn and Jim Muir, who had been getting anonymous death threats.

Debusman survived, but as he lay in an intensive-care unit a Syrian intelligence agent known to him entered the clinic and stood gazing at the reporter in silence for some time. The agent then snapped, "You were warned," turned on his heel and walked out.

Debusman had indeed been warned to stop referring to "the ruling Alawite minority" in Reuters dispatches on Syria. He was flown to Cyprus and never returned to the Middle East.

The message was taken as clear-cut by

the rest of the press corps, and Debusman was followed to Larnaca by a virtual stampede of foreign correspondents, including Muir and Llewellyn.

Shooting journalists pays dividends: Foreign interest in Syrian affairs waned remarkably. So much so that when Assad massacred 20,000 Syrians in the dramatic assault on the rebellious northern town of Hama the following April, it went unreported for a month until France's *Le Monde* picked up the story from an Iraqi newspaper.

All American media ignored the story until *The Washington Post* ran a piece on June 25, 1981.

Admitting that the story had been open knowledge from the outset in Beirut (and hence in Nicosia as the new Middle East listening post), the *Post* made no bones about the reason for the silence.

"In an atmosphere created by the wounding last June of Reuters correspondent Bernd Debusman ... and threats against British Broadcasting Corp. correspondent Tim Llewellyn - both after stories considered by Damascus as unfriendly to Syria - the Hama reports have not been widely published in the area."

The writer, who edits the foreign and Middle East pages, was formerly a regional correspondent and Nicosia bureau chief for Reuters.

Hariri: Expert in damage control

ANDREW TARNOWSKI

BEIRUT

PRIME Minister Rafik Hariri, brought in to raise Lebanon from the ruins of civil war, appeared to have lost ground politically in his standoff with the president and parliament speaker this week.

The billionaire prime minister decided to go back to work after a stoppage that paralyzed the government for a week, raised fears of political instability and scared Beirut's reemerging financial markets with a run on the Lebanese pound.

"The government was not reshuffled, portfolios were not swapped and the stoppage gave no results," said the Beirut daily *al-Anwar*, commenting on Hariri's failure to achieve his goals.

The climbdown may be particularly damaging on top of an erosion of Hariri's popularity caused by the failure of his \$12 billion rebuilding program, which brings results as quickly as many Lebanese expected.

But the political damage may be more apparent than real. Hariri remained firmly in office as the crisis ended.

Despite earlier reports of Syrian dissatisfaction with his role in the affair, he appeared to remain on good terms with Damascus - the paramount issue for any Lebanese politician.

A meeting on Saturday with President Hafez Assad helped control the damage to his image. A Beirut newspaper said it gave Hariri "moral compensation" for the apparent setback on the domestic front.

The showdown with President Elias Hrawi and Speaker Nabih Berri may even have won Hariri ground with Lebanon's influential Christian minority by showing them he is ready to listen to their grievances.

By risking a crisis to bring more representative Christians into the



Rafik Hariri: Apparently still on good terms with Syria. (AP)

government, Hariri put angry Christian demands for more balanced treatment by the Syrian-backed government into the center of the political stage.

IN THE negotiated compromise that ended the confrontation, he won a commitment from Hrawi and Berri to discuss his demand for expanding the cabinet after he goes back to work.

Hariri sparked the showdown by proposing to add four members to the cabinet - two heavyweight Christians and two others to speed up reconstruction.

The proposal puzzled observers

who felt Hariri was picking a fight he could not win.

They said he must have known no Christian heavyweight could agree to enter the government without major changes in its policies that he could not deliver - principally an effort to regain Lebanon's freedom of action from Syria, which has 35,000 troops in the country and is the main power broker.

Hrawi and Berri duly blocked the reshuffle, making Hariri look powerless, and proposing instead major government changes which could have weakened his cabinet support.

As Hariri stayed home in protest, aides said his aim all along had been to show that the distribution of power introduced under the 1989 Taif accord that ended the civil war was unworkable.

The pact did not clearly define the roles of Lebanon's three top office-holders, allowing them to meddle in each other's business and block each other's initiatives.

Hariri believes this is blocking effective government and causing delays to his reconstruction projects, aides say.

Discontent with Taif and its partial implementation is also a major Christian grievance - a fact that increases the possibility that Hariri may be trying to tell the Christians that he is a potential ally whose concerns coincide with theirs.

By presenting himself as a possible ally for the Christians, Hariri may be seeking a major role in the election of the next president - who must be a Maronite Christian - due by the end of 1995.

Apparently aware of the threat, presidential aides said Hrawi was angry at Hariri because he was trying "to outbid the president" in his own Maronite community.

Relations between the two men have long been bad.

Hrawi is known to want to become leader of the Christian community when he steps down as president, and to want his son-in-law, Foreign Minister Faris Bouez, to succeed him.

Political sources say Hrawi wants Hariri out of government, or at least seriously weakened, before the presidential campaign gets under way.

They say he fears the combination of the prime minister's office with Hariri's financial resources and the confidence of the Syrians would give the Sunni Moslem premier unbearable influence in the behind-the-scenes bargaining that goes into the election of Lebanon's presidents. (Reuters)



The US has said it would cut Egyptian shirt imports after Egypt's fast-developing textiles industry boosted exports fivefold in the previous year. (Isaac Harari)

Egypt's free market may be no market

JOHN WEST
CAIRO

MOUNIR Fakhri Abdel-Nour would like to export peanut butter from Egypt to the US but says low quotas allotted to developing countries bar the way.

"Frankly, this talk of free trade is a lot of rubbish," said Abdel-Nour, managing director of SEFIA, a producer of jams and fruit concentrates.

"They are proposing and imposing quotas at the same time as we are signing the GATT agreement," he added, referring to the General Agreement on Tariffs and Trade signed last month in Morocco which is supposed to send world trade barriers tumbling.

Policymakers and the World Bank tout it as the economic future of their country, but Egypt's exporters are fuming that Western countries do not practice the free-market theories they preach to the developing world.

A quota recently proposed on Egyptian shirt exports to the US touched off a storm of protest in Egypt, where government and business circles alike saw a precious success story nipped in the bud.

Washington, pressured by a strong domestic textiles lobby, has said it plans to cut Egyptian shirt imports to about 6.1 million and

keep them there after Egypt's fast-developing textiles industry boosted exports fivefold in the previous year.

The US government, wary of rupturing ties with a major strategic ally, has adopted a low-key approach, simply saying the American market could not absorb more Egyptian exports.

"The Egyptians were shocked," James Fringle, chairman of the American Chamber of Commerce in Egypt, said. "This has disrupted an industry that had a bright future and showed all the private sector initiative the US has been trying to encourage in Egypt."

The free trade issue is likely to take on increasing importance as Egypt liberalizes its own markets under World Bank-backed reforms and plans an ambitious export drive to fuel economic growth and cut its two-to-one trade deficit.

Egypt imported goods worth \$7.57 billion in 1991. It exported only \$3.53b., over half of which was oil and oil products.

Traditionally the shortfall was bridged by tourism, Suez Canal receipts, large aid inflows from Western and Gulf Arab countries, remittances from two million Egyptians working abroad and tens of billions of dollars of debt that Cairo ran up.

But now Egypt has launched an ambitious plan to boost exports to \$10b. by the year 2000, gambling that reforms curbing protection on local manufacturing can knock the

Arab world's largest industrial sector into competitive shape.

Egypt cut and simplified import tariffs and slashed subsidized inputs to local industry in the past two years under the World Bank program.

Having taken the plunge into the free market, Egyptian officials and businessmen are afraid they will be shut out of Western markets under the pretext of ever stricter health, safety and human rights conditions.

Egypt ran a \$2.97b. trade deficit with Western Europe and North America in 1991, 74 percent of its total trade deficit.

"Every day we wake up to new criteria from the Europeans and Americans. First it was quality control and packaging, now it is environment and child labor. However fast we run, we're always behind," said Neila Alouba, chairwoman of the export committee at the Egyptian Businessmen's Association, a private sector lobby.

"Is it a coincidence that Egypt's potential export sectors are in some of the most heavily protected markets, GATT or no GATT? Many people think not," she added.

In 1991 agricultural products, textiles and clothing exports accounted for \$1.62b., or some 80 percent of Egypt's nonmineral exports.

In theory, GATT should eventually bring down barriers in these markets. But many developing countries, intimidated by the European Union and the North American Free Trade Agreement, will remain skeptical until they see change on the ground. (Reuters)

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Anti-Israel alliance formed in Jordan

AMMAN (AP) - Eight leftist and Islamic fundamentalist political parties this week announced the formation of an alliance aimed at resisting normalization of relations with Israel and threatened to boycott everyone interacting with it.

The move is an open challenge to King Hussein's stated pro-peace and normalization policy.

The leftist-Islamic alliance calls itself the Popular Arab Jordanian Committee for Resisting Submission and Normalization.

The alliance includes the powerful Islamic Action Front, Jordan's leading Moslem fundamentalist group, which has 16 seats in the 80-member parliament. The rest of the groups hold four seats.

A front spokesman said the peace process was "no more than the necessary first stages" for a Middle East dominated by the US and Israel.



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Egypt bans English-language weekly for the second time

CAIRO (AP) - Information Ministry censors banned distribution of the Egyptian edition of the *Middle East Times* for the second time in three weeks.

The English-language weekly is written and edited in Egypt but printed in Greece. It appears on Egyptian newsstands on Mondays.

The move comes amid a series of government actions limiting press coverage.

Foreign reporters have frequently been barred from the trials of Moslem extremists accused of anti-government attacks.

In recent weeks, Western reporters and photographers were roughed up by Egyptian security forces while covering demonstrations.

Late last month, a reporter for

the opposition newspaper *Al-Shaab* was ordered to jail by a military court for reports related to US-Egyptian military maneuvers.

Other reporters for opposition papers face libel or slander charges for articles on corruption.

Nicolas Felham, who edits the Egyptian edition, said "we've been told there is a chance the paper might be barred from the country indefinitely."

The paper has been published for 11 years.

He said he did not believe the action was because the paper is owned by supporters of the Rev. Sun Myung Moon's Unification Church.

The *Middle East Times* also plans a Lebanon edition.

BUSINESS & FINANCE

WEDNESDAY, MAY 18, 1994

9

Treasury to ask for supplementary budget Number of job seekers up 15.3% in April

'94 budget overrun of between NIS 1.5b.-NIS 2b. seems likely

EVELYN GORDON

THE Treasury will soon ask the Knesset to approve a supplementary budget for 1994, since a budget overrun of between NIS 1.5 billion and NIS 2b. now seems likely, State Budget Director David Brodet reportedly told the Knesset finance committee yesterday.

Brodet said some NIS 500 million of the sum was due to the recent public-sector wage agreements. Another NIS 350m. stems from the agreement with the PLO; NIS 250m. is likely to be needed for Israel Aircraft Industries and other defense industries; NIS 425m. will be needed for local authorities; and several hundred million will probably be needed for Kupat Holim Clalit.

Accountant-general Reuven Kokolevich explained that although the budget deficit so far this year is actually much smaller than expected - NIS 600m. compared with an anticipated NIS 7.6b. - experience from pre-

vious years shows that most of the annual deficit is accumulated during the second half of the year.

On the bright side, State Revenue Director Yoram Gabbai told the committee income from taxes was NIS 800m. higher than expected during the first third of the year, totalling NIS 23.1b. This is a real increase of 12.8% over last year, while the expected increase had been 8.8%.

If this trend continues, it will give the state more flexibility in dealing with "unexpected" expenses.

Gabbai noted most of the extra revenue came from the income tax division, which collected 21.9% more than during the same period last year, though revenues had been expected to grow by only 15.8%.

Opposition MKs took the opportunity to blast the government from all sides. Dan Tichon (Li-



Brodet: NIS 500m. of overrun due to recent public-sector wage agreements. (Alicia Auerbach)

kud) said that in light of Brodet's announcement, he wondered whether the annual budget pre-

sented to Knesset each fall had any meaning, since most of the additional expenses Brodet mentioned could have been predicted.

Sylvan Shalom (Likud) was more upset about inflation, and asked that the committee invite Finance Minister Avraham Shohat and Bank of Israel Governor Jacob Frenkel for a discussion on the issue.

"[The Treasury] isn't doing anything [about inflation], despite the fact that the writing is on the wall," he said. "The governor of the Bank of Israel is the only one advocating stability."

Although many MKs - opposition and coalition alike - expressed concern over the sharp rise in housing prices, they agreed the solution was not for the government to resume its building program.

Ariel Weinstein (Likud) said the best way to solve the problem was to allow the free import of foreign workers.

THE number of job seekers rose 15.3 percent last month compared to March, with 117,500 people registering at the Employment Service, according to seasonally-adjusted figures released yesterday by the Labor and Social Affairs Ministry.

This rise in job seekers follows a sharp drop in the first quarter of the year, when the number of job seekers fell from 117,800 at the end of 1993 to 101,900 in March.

There was a similar rise in the number of new immigrants registering as job seekers, up 15.2% from March to April, from 10,400 in March to 11,900 last month.

The number of people who lost their unemployment benefits due to their refusal to accept work offered them jumped 58%, following a tightening in the criteria for receiving this benefit.

At the same time, April saw a

Jerusalem Post Staff

decrease in the number of those unemployed for six days or more during the month. This figure amounted to 70,400 in April, compared with 74,300 the previous month.

The ratio of those out of work for six days or more among all unemployed fell from 82% in March to 75.6% in April, the ministry announced.

There was also a drop in the number of applicants for income supplements - those who represent the hard-core unemployed - from 27,100 in March to 26,500 in April; a drop of 2.1%.

The percentage of women among job seekers increased from 54.5% in March to 55.7% last month.

There was no significant increase in the number of men sign-

ing up at the Employment Service but the number of women rose from 49,500 in March to 51,800 last month.

There was no significant change in the age distribution among job seekers: under 35-year-old males comprised 42% of the total male number of job seekers while female job seekers under 35 comprised 52.5% of the total number of women job seekers.

Sderot in the Negev has the highest percentage of job seekers among the civilian workforce, with an unemployment rate of 13.3%.

Rahat follows with 12.5% unemployment. Bakata 12.3%, Ofakim 12.3%, Kiryat Gat 12.1%, Or Akiva 12%, Mitzepe Ramon 10.8%, Shlomi 10.3%, Ma'alot 10.3%, Yeroham 9.8%, Kabul 9.4%, Kiryat Malahi 9.1%, Upper Yokne'am 9.1% and Acre 9%.

There is an escape from hotelier greed

COMMENT

NEIL COHEN

MUCH was made of the mass exodus of Israeli tourists to Turkey over the Shavnot break. If only, the pundits said, they had spent the time, and particularly the money, in Israel, we would all be much better off. The money would stay in the country, thereby boosting foreign currency reserves, creating jobs and promoting growth. Israel is, however, a free country, and people are entitled to vacation more or less where they want.

In this case, there is a striking parallel between the tourism industry and the current crisis in the housing market. The shortage of low-priced accommodations in most local tourism centers has generally enabled hoteliers to increase room rates to a level at which foot-loose Israelis can indulge their wan-

derlust, enjoy first class hotels and spend less by going abroad than by staying in similar accommodations in Eilat or Tiberias.

Not only is potential internal tourism driven away, but our ability to compete for incoming tourists with Turkey, Greece, Cyprus and Spain is seriously harmed. Unlike the housing market, however, customers have a choice, which, it would appear, they have been exercising in droves.

Despite the local hotel industry's shortsightedness, foreign chains are stepping in to take advantage of the new political circumstances. Given the country's considerable tourism potential, there is a fair chance that market forces will fill the gap. It will be no thanks, though, to greedy hoteliers and visionless bureaucrats.

Natural gas usage to increase by 50% next decade - ministry

LIAT COLLINS

IN the next decade, Israel will double its electricity production capability, consumption of petroleum-based products will grow by 50% and natural gas usage will increase by at least 50%. These are some of the figures presented by Energy and Infrastructure Minister Moshe Shalal to the Knesset yesterday in a report on this year's ministry activities.

The report also said the import of energy sources from other states in the region would increase and the average real cost would decrease.

The survey also contains details of arrangements between local authorities and Palestinian authorities concerning petroleum product standards. Israel has agreed to permit the import of petroleum products from areas under Palestinian jurisdiction on condition they meet Jordanian and other international standards.

The autonomous areas may import gasoline as long as it is colored differently from gasoline available in local markets and is not sold here. Meanwhile, a ministerial committee on legislation is expected to discuss the fuel economy bill proposed by Shalal in the next few days.

Housing starts down, prices up

JOSE ROSENFELD

HOUSING prices rose 9.6 percent above inflation last year, as sharp cuts in state-funded construction lowered the number of housing starts by 25.1%, according to the Bank of Israel annual report to be published later this month.

The reduction in available housing pushed up prices, thus encouraging the private sector to increase activity, especially in high-demand areas. Private sector housing starts rose 25.1%. The increase, however, would have been greater had it not been for the territories closure, which drained construction sites of workers during the second quarter.

Contractors expanded their ac-

tivities by raising large amounts of cash at relatively attractive prices due to the fall in the cost of credit last year. Additionally, there was fierce competition among banks to provide financial backing to housing projects.

Credit extended to contractors grew by 72%, adjusted for inflation, compared with 1992. Brisk sales also contributed to the expansion, since sales of housing units already under construction are a significant source for financing such projects.

The private sector's expansion, however, was insufficient to meet the demand for housing in the

country's center. In Jerusalem and Tel Aviv, apartment prices jumped by 13% and 12% in real terms, respectively, while in the center, prices rose by 10%.

Housing starts increased by 13,000 units in the country's center, while the amount of land sold for construction also rose. In Jerusalem, by contrast, there were only 1,900 housing starts last year due to the unavailability of land.

In the South, demand was moderate leading to unchanged prices. There were 4,000 housing starts in the area compared with an annual average of 16,600 starts during the preceding three years. In Haifa, prices rose 7% with 9,000 housing starts.

Panel okays more guarantees to loan fund

JOSE ROSENFELD

THE Knesset finance committee yesterday approved an additional NIS 300 million in state-backed loan guarantees to the government's small business loan fund.

The fund is operated by banks Mizrahi, Discount, Otzar Hahayal and Hapoalim, which screen applicants and provide them loans with preferential terms.

The Treasury shifted part of the default risk to the banks, so instead of guaranteeing 100 percent of the loan, it will back 80% while the banks will guarantee the remaining 20%. The government's maximum exposure will amount to 30% of the total, or NIS 90m.

The small business loan fund has used up over two-thirds of the NIS 300m. originally allocated. Out of 2,125 loan requests, one thousand were approved totaling NIS 223m. Businesses have already used NIS 130m. of the ap-

proved credit. About 40% of the approved loans went to new businesses, while 8% of the recipients were new immigrants.

The fund primarily finances small business investment and development projects which otherwise would not be undertaken, or would be delayed due to the businesses' lack of collateral needed to receive regular bank credit.

Many of the borrowers said that the mere existence of the fund encouraged them to develop their business.

Most of the loan requests did not exceed NIS 500,000, although the original program limited loans to NIS 750,000.

The only businesses that requested loans over NIS 500,000 were those which already had access to credit and wanted to take advantage of the fund's preferential interest rates. As a result, the Treasury has lowered the loan ceiling to NIS 500,000.

Hashmira wins diamond exchange tender

GALIT LIPKIS BECK

HASHMIRA Security Group has been chosen to provide security for the Diamond Exchange. The company was selected from among six local security firms that participated in the tender.

The project, which involves round-the-clock security, is the country's most labor-intensive security job - Hashmira plans to use 150 guards to secure the exchange's three buildings.

The agreement is estimated at between NIS 7 million to NIS 11m. per year.

Hashmira is controlled by the Kadis brothers and managing director Oded Sarmister, and employs 7,600 security guards throughout the country.

Until last year, Modi'in Ezrachi provided security for the building for 20 years, after which they were replaced by S. L. Shevah.

Agriculture Union to fight Israel Land Development Authority decision

GALIT LIPKIS BECK

THE Agriculture Union yesterday said it is reluctant to sign contracts changing land initially allocated for agriculture purposes to building in cases when The Israel Land Development Authority demands a payment of more than 51

percent of the land value. At an emergency meeting headed by union secretary-general Daljo Moti and representatives of 76 agricultural settlements, the union decided to take all possible steps to cancel the authority's decision to demand 51% or more of the land value.

Settlement representatives said they hope to continue to take advantage of the entrepreneur route, which was adopted before the authority's recent decision.

The entrepreneur route lets farmers lease land from the authority for construction purposes or sell their building rights on the land to private investors.

"It can't be that the farmers who cultivated and nourished the land for years will be deprived be-

cause of the authority's administrative decisions," Daljo said.

He said most settlement representatives favor limiting the number of plots reallocated for building. This is in response to authority fears that unregulated reallocation of agriculture land for building will harm the character of settlements and eliminate green-belted areas near heavily-populated sections of the country.

"Correct and suitable planning under previous authority decisions will maintain a country-like community and the moshavim's and settlements' farming nature," Daljo added.

In June, the union will discuss the issue with President Ezer Weizman, Prime Minister Yitzhak Rabin, Agriculture Minister Ya'acov Tsuri and manager of the Israel Land Development Authority.

Carmel Market can be turned into residential area - court

EVELYN GORDON

THE Tel Aviv municipality has the right to turn the southern part of the Carmel Market into a residential area, the High Court of Justice ruled yesterday.

The Association of Carmel Market Merchants and 78 individual merchants had petitioned the court against the municipality's plans, claiming the city promised them use of the area in the 1960s, and it had no right to renege on this promise.

The city rejected the claim, saying most of the petitioners had in fact come to the market only recently, and were operating illegally, without proper business licenses or building permits.

"The petitioners did not present even a smidgen of evidence to support the existence of the rights

they claim," Justices Gavriel Bach, Zvi Tal and Mishael Cheshin wrote in their verdict. "Furthermore, the claims that the petitioners were brought to the market [by the city] relate to only nine of the 78 petitioners, and even these weren't supported by any documentary evidence."

The justices also rejected the claim that the petitioners had not been allowed to present their arguments to the municipality, noting they had been invited to a city council meeting discussing the plan.

But in any case, the justices concluded, the proper place for the petitioners' claims to be heard was not the High Court but the district court.

Tadiran's first quarter profits fall by 55%

COMPANY RESULTS

RACHEL NEIMAN

TADIRAN reported a 55 percent fall in profits for this year's first quarter after a change in accounting methods.

Net profits for the period were \$12.5 million, compared with \$27.9m. during the same quarter last year.

The company reported an 8% drop in revenues to \$202.5m., compared with \$220.5m. in 1993. • InterPharm reported first quarter net profits of \$787,000 compared with \$1.1m. during the same quarter last year. Revenues for the biotechnology

company were \$13.4m., 5.9% higher than the \$12.6m. in 1993.

• Edusoft announced a 200% rise in first quarter net profits to \$151,000, compared with \$50,000 in the same period last year. Revenues for the educational software house rose 63% to \$1.9m., compared with \$1.18m. in 1993. • Delek announced first quarter net profits of NIS 15.3m., 22%

rise compared with the NIS 12.5m. figure reported in the same quarter last year.

Revenues for the oil company were 13% higher at NIS 683.8m., compared with NIS 603m. in the same period in 1993.

• Granit HaCarmel reported first quarter net profits of NIS 10.5m., compared with NIS 16.9m. for the same quarter last year.

The fuel company had revenues of NIS 379.7m., compared with NIS 480m. in the first quarter of 1993.

ISRAEL MONEY MARKETS

Patah (foreign currency deposit rates) (17.5.94)				
Currency (deposit for):	3 MONTHS	6 MONTHS	12 MONTHS	
U.S. dollar (\$250,000)	4.000	4.375	5.000	
Pound sterling (£100,000)	2.750	3.125	4.125	
German mark (DM 200,000)	4.125	4.000	4.000	
Swiss franc (SF 200,000)	2.875	2.875	2.875	
Yen (10 million yen)	0.900	0.875	0.875	

(Rates vary higher or lower than indicated according to deposit)

Shekel Foreign Exchange Rates* (17.5.94)				
CURRENCY	CHECKS AND TRANSFERS		BANKNOTES	
	Buy	Sell	Buy	Sell
Currency basket	2.270	2.260	2.53	2.500
U.S. dollar	2.271	2.092	2.53	2.090
German mark	1.789	1.810	1.75	1.802
Pound sterling	4.497	4.580	4.40	4.518
French franc	0.5218	0.5200	0.50	0.520
Dutch florin	2.848	2.881	2.79	2.872
Swiss franc	1.5933	1.6157	1.56	1.6012
Japanese yen (100)	2.0258	2.124	2.08	2.111
Swedish krona	0.3944	0.3993	0.38	0.3866
Canadian dollar	0.4123	0.4191	0.40	0.4163
Australian dollar	0.4598	0.4633	0.45	0.4600
Spanish peseta	0.5467	0.5565	0.54	0.5518
Israeli shekel	2.182	2.187	2.13	2.223
Austrian schilling (10)	2.1764	2.2071	2.12	2.223
Belgian franc (10)	0.3172	0.3207	0.31	0.3224
Italian lira (1000)	0.3691	0.3803	0.35	0.3744
Japanese yen (100)	2.5418	2.5774	2.48	2.5595
Israeli shekel	1.8543	1.8505	1.82	1.8721
Egyptian pound	—	—	0.08	0.01
ECU	3.468	3.484	3.29	3.4701
Irish punt	4.351	4.448	4.29	4.4127
Spanish peseta (100)	2.1681	2.1895	2.10	2.1735

* Rates vary according to bank. ** Bank of Israel.

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ISRAEL DISCOUNT BANK

Key Representative Rates

US dollarNIS 3.0090 -0.2%

SterlingNIS 4.5218 +0.52%

MarkNIS 1.8002 -0.43%

MARKETS

New York market indexes

Index	Value	Change
DJ Industrial	2751.11	+11.11
DJ Composite	1020.50	+2.38
DJ 30	1020.50	+2.38
NYSE	1020.50	+2.38
NASDAQ	1020.50	+2.38
S&P 500	1020.50	+2.38
DAX	1020.50	+2.38
FTSE 100	1020.50	+2.38
Nikkei 225	1020.50	+2.38
Hong Kong Hang Seng	1020.50	+2.38

Other stock market indexes

Index	Value	Change
FTSE 100	3123.5	+7.9
Nikkei 225	1020.50	+2.38
Hong Kong Hang Seng	1020.50	+2.38
DAX	1020.50	+2.38
FTSE 100	3123.5	+7.9
Nikkei 225	1020.50	+2.38
Hong Kong Hang Seng	1020.50	+2.38
DAX	1020.50	+2.38

Israeli stocks in NY

Index	Value	Change
NYSE / AMEX	1020.50	+2.38
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AMEX	1020.50	+2.38

TEL AVIV STOCK MARKET

Multi-sided trading

Two-sided trading

Afternoon

Morning

Commercial Banks

Mortgage Banks

Financial Institutions

Insurance

Trade & Services

Industries

Property, Building & Agriculture

Energy

Transportation

Healthcare

Technology

Consumer Goods

Food & Beverage

Chemicals

Metals

Real Estate

Utilities

Telecommunications

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Market falls on CPI rise

TEL AVIV STOCK MARKET

Andre Lumbroso

Two-Sided Index

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Lloyd's of London trims loss to £2.05 billion

LONDON (Reuters) - The 300-year-old Lloyd's of London insurance market yesterday said losses for its 1991 year fell to £2.05 billion.

This takes the total of losses suffered by the market's 30,000 or so traditional individual backers, known as Names, to £7.5 b. in the last four years.

Lloyd's, which reports results three years in arrears, said the 1991 deficit excluded for the first time £533m. of so-called double counting, which occurs when a policy is reinsured within the market.

Including this figure, the 1991 loss was £2.58b., compared with the previous year's record £2.9b. loss.

The main causes of the deficits were an unprecedented series of catastrophes in the late 1980s and liability claims for damage and illness resulting from pollution and asbestos problems in the US.

Almost half the 1991 loss was in the form of reserves to guard against claims still filtering through from old policies.

Lloyd's said two-thirds of this strengthening of reserves was for so-called US "long-tail business," such as asbestos and pollution, from policies written many years ago.

"Lloyd's is - we believe - far better reserved than the large majority of our competitors. It is our intention to ensure that Lloyd's remains properly reserved," chairman David Rowland said in a statement.

statement.

Although 1991 was a difficult year for most insurers, he said the outlook for Lloyd's is improving, with the prospect of a substantial profit for the 1993 year.

The pure loss for the latest year - which excludes losses filtering through from previous years - fell to £615m. from £937.4m.

Rowland said reforms pushed through in the last year had resulted in a "much leaner, fitter generation of surviving underwriters."

The number of Lloyd's insurance syndicates has halved since 1991 to around 170, with almost two-thirds of 1994 business in the hands of syndicates which were profitable in 1991.

This will be of little comfort to the thousands of Names who have been forced to cease underwriting because of existing losses, but who remain liable for losses from the past.

Many have taken legal action, alleging negligence against their Lloyd's agents, as the only way to recoup some losses.

One Names body, the Society of Names, said many of the market's backers, who have unlimited liability for losses, are unlikely to survive the latest losses.

"For the fourth year running, Society of Names members have been hammered. The sums now needed are usually only obtained with a mask, a gun, and a getaway car," it said in a statement.

Federal Reserve raises key interest rates

WASHINGTON (AP) - The Federal Reserve increased two key interest rates yesterday, sending a dramatic signal it was determined to head off any inflationary spiral. In a brief announcement, the central bank said it is increasing its discount rate, the interest it charges for direct loans to banks, from 3 percent to 3.5 percent. It marked the first increase in this key rate in five years.

In addition, the central bank moved to boost the federal funds rate by one-half point as well, sending the target for overnight loans between commercial banks, from 3.75 percent to 4.25 percent.

Both actions were expected to drive up borrowing costs for millions of Americans for everything from home mortgages and auto loans to short-term business loans.

Unlike previous interest rate

spikes this year, the financial markets initially greeted yesterday's news positively. The price of the US Treasury's 30-year bond jumped more than \$10 for every \$1,000 invested and its yield dropped below 7.35 percent, from 7.44 percent Monday.

The Dow Jones average of 30 industrial stocks jumped more than 30 points.

Many economists were predicting that banks would waste no time increasing their prime lending rate. This benchmark for many business and consumer loans has already been hiked twice this year.

The Fed's decisions, which had been widely expected, were announced in a brief statement issued at the end of a closed-door meeting of the Federal Open Market Committee, the policy group composed of Fed board members

in Washington and Fed regional bank presidents.

"The Federal Reserve today announced two actions designed to maintain favorable trends in inflation and thereby sustain the economic expansion," the Fed said in announcing the rate hikes.

Before the announcement, President Clinton sought to minimize the impact any further Fed credit tightening would have on the economy.

"I have every confidence that we're still going to have another good year this year and that we will be able to offset any modest increase in interest rates with increased growth," the president told reporters at a morning photo session.

Yesterday's action marked the first boost in the Fed's discount rate since Feb. 24, 1989, when it

was raised from 6.5 to 7 percent. Before yesterday, the Fed had lowered the rate seven times - beginning in December 1990 and ending in July 1992 - as it struggled to combat a recession and extremely sluggish growth.

In addition to raising the discount rate, Fed officials said another section of the statement was meant to signal that the central bank was raising its target for the funds rate, the interest that banks charge each other, by one-half percentage point as well.

This marked a departure from the smaller quarter-point rate hikes that the Fed has made earlier this year.

The federal funds rate had been 3 percent in February and stood at 3.75 percent before yesterday's move. The prior moves, each a quarter percentage point, were on

Feb. 4, March 22 and April 18.

Federal Reserve Chairman Alan Greenspan and other Fed officials have insisted they are not trying to choke off the economic expansion with the rate hikes, but are merely pushing interest rates to a "neutral" level where they are neither spurring growth nor retarding it.

The trouble is that the Fed has been vague about just where that neutral territory is, and many critics complain that is why long-term interest rates have risen faster than short-term rates.

"We feel that the Fed needs to be much more definitive and much more clear about what their purpose is and about what they're trying to accomplish," said Tommy Thompson, president of the National Association of Home Builders.

Chinese share issue flops in Hong Kong

HONG KONG (Reuters) - The latest Chinese state company to list on the Hong Kong stock market flopped on its debut yesterday, signaling China fever may be a thing of the past.

Shares in chemicals group Tianjin Bohai Chemical Industry (Group) Co. opened firm, but promptly fell to close at HK\$1.10, almost eight percent below the offer price of HK\$1.20.

The Hang Seng Index finished 308.71 points or 2.26% lower at 9,044.70.

"I think sentiment towards the stock is very negative," said Lawrence Lo, an analyst at Smith New Court.

Only a few months ago investors were desperate to get hold of any "H" shares - stock issued by Chinese enterprises for listing in Hong Kong. For example, shares in Maanshan Iron and Steel Co. jumped 61% on their Hong Kong debut last November.

But a wild bull run which more than doubled the Hang Seng last year has ended, and the index has lost about 27% from the record hit in early January.

Investors and analysts are now taking a much harder look at Chinese enterprises listing in Hong Kong, worried about political and social stability and the fact that the Beijing authorities have yet to get to grips with high inflation.

"People have stopped buying H shares blindly without focusing on the fundamentals, and that is probably why we saw a lukewarm response to the Bohai issue. You've got better buys in the market at the moment," said another analyst.

Whereas Maanshan's Hong Kong offer was almost 69 times oversubscribed, a far smaller HK\$409 million (US\$52.4m.) offer by Tianjin Bohai - the eighth in the first batch of nine enterprises listing in Hong Kong - was barely subscribed.

In terms of technology, Tianjin Bohai, which is based in the north-eastern port of Tianjin, was not as competitive as another chemical company, Shanghai Chlor-Alkali, which is listed only on the Shanghai exchange.

Sonja Jong at Mees Pierson Securities said the problem lay with the company, not H shares in general. "It is the least attractive of all the nine, and it has nothing to do with the market, it's the company itself," she said.

Jong said Tianjin Bohai is caught up in the debt problems which bedevil the Chinese state sector, and its old machinery means production costs are high. This in turn means it faces strong competition from foreign and domestic companies.

Tianjin Bohai has been further undermined by the imminent arrival of the last of the nine, Dongfang Electrical Machinery Co., and the prospect of the second batch of 22 Chinese companies seeking overseas listing. These include some huge enterprises and are expected to start listing later this year.

"I think there is still strong underlying interest for the H share companies," said one analyst. "I wouldn't say they are disregarding H shares as a whole."

Hewlett-Packard earnings rise on PC, printer sales

PALO ALTO, California (Reuters) - Hewlett-Packard Co., the giant computer and office equipment maker, yesterday reported higher earnings for the fiscal second quarter, aided by strong demand for personal computers and growth in DeskJet printers.

It said orders grew 19 percent overall in its second quarter, ended April 30, with particular strength in the Vectra VL series of personal computers and strong orders for its new printers introduced in March.

Hewlett-Packard said second-quarter earnings rose to \$408 million on revenues of \$6.2b. A year earlier it earned \$347m. on revenues of \$5.1b.

Order growth for the older LaserJet printers was modest in line

with expectations, it said.

Orders for UNIX-based systems and servers continued to grow, but total work station orders declined, the company said.

Hewlett-Packard said demand for consulting services and for its software for network management was strong. Test and measurement orders rose 16% and orders for communications and PC board test equipment also rose.

Hewlett-Packard, which also makes electronic instruments and systems for measurement, analysis, and computation, said earnings for the six months rose to \$776m. on revenues of \$11.9b. A year earlier, earnings were \$608m. on revenues of \$9.7b.



Three members of a cleaning crew leave the empty check-in points at Orly Airport, Paris, after the French domestic carrier Air Inter called a 24-hour strike. (AP)

US housing starts fell 2.5% in April

WASHINGTON (Reuters) - Construction starts on new homes and apartment buildings slipped 2.5 percent last month as building activity slowed from a weather-related bounce in March, the US government said yesterday.

The Commerce Department said builders broke ground on new homes at a seasonally adjusted annual rate of 1.46 million units in April, down from a revised 1.49-million unit pace in March. The department previously estimated 1.47 million starts in March.

The April rate of housing starts was roughly in line with the expectations of Wall Street economists.

In March, construction starts jumped 12.3% after cold weather put the brakes on building activity in January and February.

But home construction is expected to slow in

the months ahead because of rising interest rates, which make it more costly for prospective home buyers to get mortgages.

The Federal Home Loan Mortgage Corp., or Freddie Mac, said the 30-year mortgage loan rate last week jumped to 8.77% from 8.53% a week earlier. It was the highest level in two years.

Rates had been as low as 6.82% last August, the lowest since 1968.

The National Association of Home Builders said Monday it lowered its 1994 housing starts forecast to 1.38 million units from 1.43 million because of the higher rates. That would still be an increase from the 1.29 million starts in 1993.

So far this year, actual housing starts are 19.4% higher than they were during the first four months of 1993.

Overall, the April starts level was 18.4% above the seasonally adjusted annual rate of 1.23 million units begun in April 1993.

The pace of April construction was mixed regionally. Starts rose 3.6% in the Northeast and 4% in the Midwest, but fell 4.9% in the South and 6.8% in the West.

Applications for permits to build new homes, which are cited as an indicator of future building activity, rose 4.4% in April to a 1.38 million unit annual rate. Permit applications rose 4.9% in March.

Construction of single-family homes fell 4.4% last month to a seasonally adjusted annual rate of 1.21 million units after rising 12.4% in March. New apartment building construction rose 7.8% to a rate of 250,000 units after rising 12.1% in March.

German magnate Schneider has huge net debts

FRANKFURT (Reuters) - Fugitive German property magnate Juergen Schneider is not the billionaire he claimed to be, but had net liabilities of up to DM 4 billion, the receiver for his real estate group said yesterday.

Receiver Gerhard Walter told a meeting of Schneider's creditors at the district court in Koenigsstein, the town near Frankfurt where Schneider's real estate empire was based, that the group had net debts of DM 3.5b.-DM 4b.

He said the receivers' findings are widely different from assets of DM 3.5b. calculated by Schneider and his auditors at the end of 1993.

"The figures produced by Schneider himself stand in stark contrast to what we discovered," he said.

Schneider and his wife Claudia were registered for bankruptcy proceedings last month after they vanished, cutting off his real estate group from all sources of financing.

"If that had continued, Schneider would have wiped out half a billion marks a year," he said. "The crisis developed years ago and could only be covered by

more and more new debts."

Walter said the Schneider group left bank debts of DM 5b. and owed a further DM 150m.-DM 200m. to craftsmen and suppliers. Set against this are property assets worth around DM 2b.-DM 2.5b.

Schneider had held 121 properties in 14 German cities, of which 41 were in the east German city of Leipzig and 24 in Frankfurt, Walter said.

Deutsche Bank AG, Schneider's largest creditor with an exposure of DM 1.2b., came under fire at the meeting for apparently reneging on a commitment to help small non-bank creditors.

Deutsche and other banks have already been raked over the coals by the German press for lending to Schneider without applying the more rigorous checks which are commonplace when an ordinary customer wants to borrow a relatively small sum.

Referring to Schneider's unpaid

bills, Deutsche Bank chief executive Hilmar Kopper told a news conference in April: "No craftsman will have to pay for mistakes made by us."

But Manfred Kaupa, head of a major building firm, told the first meeting of Schneider creditors that Deutsche Bank had now said it was not prepared to cover losses sustained by all small tradesmen in connection with a Frankfurt shopping mall.

Kaupa said he had been told that the assurance that outstanding bills would be paid was valid only for properties which were still being built. The mall is already finished.

A second creditor, represented by lawyer Ernst Wolfgang Schaefer, had been told by Deutsche that the cover would also be limited for projects which had not yet been finished.

The second creditor was owed DM 750,000, Schaefer said. Deutsche was not immediately available for comment.

Telecommuting lures self-motivated commute haters in US

NEW YORK (Reuters) - Does your commute drain much of your day and energy? Are you far more productive home alone at midnight than in the noisy, stuffy office at noon?

Telecommuting - or working from home - may be the answer for many people, but not for everyone. It works only if you're self-disciplined, can stay away from the refrigerator or talkative neighbors, and can maintain the support of your boss, according to the writer who says he coined the term.

"The ideal telecommuter is an Eagle Scout, or at least a person who's self-disciplined, has initiative, is flexible, is experienced at his or her job, and is mature," said Jack Nilles, a Los Angeles consultant and author of the new *Making Telecommuting Happen: A Guide*

for Telemanagers and Telecommuters.

Telecommuting is the process of moving work to the workers instead of moving the workers to work. Employees typically stay home and communicate with the office via electronic mail or fax.

Nilles says one or more days a week either at home or in a nearby "telework" center, equipped with fax machines and computers with modems, constitutes telecommuting.

Telecommuting is not a substitute for child care nor is it suitable for people afflicted with compulsions like overeating, drug abuse, and workaholicism.

A barking dog, a screaming baby, and friends calling throughout the day also don't lend themselves to productivity. But such distractions can be managed if one clearly defines

his or her work space and sticks to it, maybe with the help of a day-care center.

Nilles is helping the state of California and several major firms develop telework centers in Los Angeles, the pioneer of a rapidly growing US trend toward telecommuting.

The devastating earthquake that rocked the Los Angeles area in January crippled the freeway system, convincing many firms to adopt or expand existing policies letting employees work away from the office, at least part-time.

Some 8.3 million Americans now telecommute, more than twice as many as in 1990, according to Link Resources, a New York telecommunications consulting firm.

Nilles says in his book that telecommuting suits people in a

wide range of professions, from accounting to insurance to computer programming to writing.

The biggest hurdle to productive telecommuting, Nilles says, can be the boss - or fear that the boss will overlook a worker who is out of sight, especially for a promotion.

That can be overcome if the worker actively communicates with the boss, asks for feedback, and nurtures contacts to "stay in the loop."

Guilt can be another barrier. "It's a moral dilemma," said Nilles. "Say you're finished at 2 p.m. and want to play golf. What about the 4 p.m. call from a co-worker or manager?"

The benefits of telecommuting far overshadow any obstacles, however, Nilles says. Workers experience increased self-

esteem, productivity, and control over their life.

Companies experience a 15 percent increase in productivity on average per employee working away from the office at least one day a week. Cost savings of \$8,000 a year per telecommuting employee, and improved morale, Nilles says.

And the planet suffers less pollution, he argues.

Nilles, himself a telecommuter, says he has broken one of his own rules, spending too much time on the telephone answering a flood of calls since the Los Angeles earthquake.

"My productivity has probably gone down. Incoming phone calls have gone up 100 percent," he said.

WORLD BRIEFS

Greece defends currency: Interbank interest rates were quoted as high as 200 percent on Tuesday as Greece defended its drachma currency on the second trading day after lifting all foreign exchange restrictions.

Banks warned that attacks on the currency would intensify if the central bank allowed interbank rates and the cost of borrowing to decline.

"High interest rates were a deterrent for speculative pressures... but if they fall back (below 25 percent) pressures will start again," said George Georgiou, deputy general manager at Bayerische Vereinsbank in Athens. *Reuters*

Hanson raises dividend as profit jumps: Hanson Plc announced on Tuesday a surprise dividend increase and a jump in first half pretax profit to £683 million after huge exceptional gains of £331m.

The Anglo-US conglomerate increased the dividend by 5.3% to three pence a share.

A year earlier profit before tax was £507m. for the six months to end March, after a £40m. exceptional gain.

The results were in line with most analysts' expectations of pretax profit between £685m. and £715m., after around £300m. of exceptional gains, but the dividend was seen flat at 2.8p.

Hanson shares were up 8p to 271p on news of the dividend increase. *Reuters*

Telefonica signs \$2 billion Peru purchase: Telefonica de Espana SA said yesterday it signed an agreement to take a controlling 35% stake in Peruvian telecommunications companies Compania Peruana de Telefonos (CPT) and Entel Peru for \$2.02b.

Telefonica chairman Candido Velazquez and Peruvian President Alberto Fujimori signed the agreement, which involves paying \$1.392b. to the Peruvian government and the reinvestment by the government of \$610m. in CPT. *Reuters*

Allied-Lyons boosts profits: British food and drink giant Allied-Lyons Plc reported 17% higher full year profits yesterday and said the year had started satisfactorily despite stiff competition.

"Throughout the financial year 1993/94 the world environment remained challenging," said group chairman Michael Jackman. "However, the year showed good progress... Our lead spirits and retailing businesses increased both profits and margins."

Allied-Lyons, which published a profit and dividend forecast in March, announced that underlying pre-tax profits had risen to £636m. compared with £544m. previously. The annual dividend was increased by just over one penny to 22.2p. *Reuters*

BOC Group half year profits fall: Industrial gases and healthcare company BOC Group Plc yesterday posted a fall in half year profits, but said economic recovery is gathering pace and supports growth in its sales volumes.

BOC made a pretax profit of £79.7m. in the six months to March 31 against £182.4m. in the same period last year.

But the figure comes in at £173.4m. once an £85m. provision for restructuring and £8.7m. in losses on disposals are added back. The company said its restructuring program which began this year and is to extend over three years, should produce savings of some £60m. a year. *Reuters*

Competition puts French routes at risk: Air Inter, the French domestic airline grounded by a strike yesterday, said it might be forced to close smaller domestic routes if the government allowed foreign competition on its profitable routes.

"We have a contract with the government which runs until the year 2000. Under the contract we have a monopoly on some routes but in turn we have to maintain a number of small, unprofitable routes," a spokesman said. *Reuters*

TA teams take honors in State Cup semis

DEREK FATTAL and ORI LEWIS

LAST night's semifinal State Cup double-header provided a bumper treat with two classic matches that kept the paying audience of 25,000 on tenterhooks and ended with wins for Hapoel Tel Aviv and Maccabi Tel Aviv, with both games being decided on penalties.

Maccabi Tel Aviv won the first match after drawing 3-3 with Hapoel Holon after extra time, to advance to its third consecutive final in the competition it last won in 1988. Rivals Hapoel Tel Aviv will meet them in the final after completing a 3-1 penalty shoot-out victory over Maccabi Petah Tikva.

The June 7 encounter will be a big Tel Aviv derby clash and will be a repeat of the 1988 final which Maccabi won 3-1.

Maccabi Tel Aviv likes to do things the hard way as the thousands of supporters who witnessed last night's battle royal against Hapoel Holon will testify.

Maccabi's passage into the final looked assured with the side leading 2-0 and in total control with just 20 minutes left to play, but fate had a breathtaking climax in store.

A listless first half gave little foretaste of what lay ahead, as the match only came alive in the 43rd minute when Holon's Avi Paz forced a superb reflex save from Alexander Obarov in the Maccabi goal.

A minute later, Tel Aviv's Itzik Zohar flung a tantalizing high cross from a free kick on the right deep into the Holon area which Alexander Polokarov met on the blind side of the defense and volined home to take the lead. Holon

keeper Alexander Zhidkov managed to grasp the shot, but referee Danny Koren adjudged that the ball had already crossed the goal-line.

After the interval, the Holonis fought back with purpose, with defender Eli Cohen heading over Obarov's crossbar. Just when Holon looked to be sustaining the pressure, Zohar was awarded a free kick on the left edge of the Holon area after being floored by Yossi Balas in the 54th minute. Zohar swerved the kick round the six-man wall and jumped with glee as his shot spun past the helpless Zhidkov.

Holon coach Eli Gutman then sent injured striker Ofer Mizrahi onto the field in an effort to ignite his weary troops.

During this dominant Maccabi spell, Zohar and Nir Klingler had goals disallowed for offside, and Meir Melika came close. The Holonis looked to be on the ropes but Maccabi failed to land the knock-out blow.

The Tel Avivans lived to regret their mistake when Hapoel launched a rare retaliatory raid in the 73rd minute which ended with Ofer Mizrahi slotting the ball past Obarov.

With just 8 minutes left of regular play, Itzik Suissa pursued what looked to be an overstruck pass into Obarov's area. The big Russian needlessly bulldozed Suissa onto the turf, and Koren blew for a blatant penalty. Despite the crowd's howls for Obarov to be sent off, Koren merely showed his yellow card.

Holon captain Marko Ben-Baruch had no trouble with the penalty, and neatly sent Obarov the wrong way to tie the scores.

As the teams lined up for extra time, Tel Aviv's cause looked forlorn. Nevertheless, coach Avraham Grant brought on Eli Driks to reinforce the attack and the move paid dividends a minute before the end of the first period of additional play as the seasoned striker ran into the center of the field to collect a long pass which he flipped skillfully over the head of Zhidkov to regain the lead for Maccabi.

The Holonis tried to repeat their escape act but were blunted by a Tel Aviv defense determined to hang onto its precious lead. Just as it seemed inevitable that Driks' goal would win the match, the young Gadi Bruner showed his inexperience pulling down Mizrahi in the Maccabi area with just three minutes left.

Again referee Koren pointed to the spot and Ben-Baruch beat Obarov to equalize. The clocked ticked on and Koren blew his whistle, signaling for the match to be decided by means of a penalty shoot-out.

With the fan's nerves stretched to the breaking point, Sergei Kolotkov ran up to take Holon's first penalty but drove straight at Obarov who smothered the ball. The next eight players all beat their opposing keeper.

It was left to Tel Aviv's Avi Nimni to take what would be the decisive penalty with the shoot-out score level at four penalties apiece. Nimni swept away jitters

aside and blasted the ball past Zhidkov for the winner that sent the Maccabi fans wild and took their team to the final by the narrowest of margins.

Hapoel Tel Aviv, Mac. Petah Tikva 1 (TA goes through 3-1 on penalties). In contrast to the first game, this one started at a terrific pace, with both sides showing flair and conviction which was distinctly lacking in the earlier encounter.

Petah Tikva was the first side to make an impression and for the first 20 minutes pressured the Tel Aviv defense with some slick passing and running moves.

But the Tel Avivians were not to be outdone and they used every opportunity on the counter-attack.

The fast-paced game finally bore its first fruit in the 23rd minute when, on just such a counter-attack, Tel Aviv went ahead when Yossi Madar, Hapoel's outstanding player throughout the match, ran down the left and floated the ball high across the area for Hezi Shirazi to hit home a diving header.

Tel Aviv kept up the pace until halftime, but two more chances for Madar went astray, while Petah Tikva relied on an Assi Ben-Shimon effort which hit the crossbar and then rebounded for Hapoel goalkeeper Yaroslav Baku to palm the ball to safety.

Petah Tikva coach made a change at halftime, bringing on Tal Buaya for Uzi Ohayon to bolster his attack. The play worked well, as Petah Tikva began to dominate the midfield, constantly threatening to break through and

level the scores.

Tel Aviv, meanwhile, started to look a little ragged and the tactics employed by their coach, Moshe Sinai, of sending Madar down the left touchline and crossing into the area, was well covered by the Petah Tikva defense.

The equalizer came in the 67th minute. After a Petah Tikva bombardment on the Tel Aviv goal, Guy Yitzhak headed on a superb floating ball by Avi Pitussi which had the Tel Aviv defense in a mess and left Baku with no chance.

Extra time provided similar action and for some strange reason, Sinai refused to bring on any of his fresh men off the bench.

Both sides came close with aerial attempts, but the 'keepers managed to stave off any embarrassing moments.

And so, the night's second match came down to another penalty shoot-out.

Hapoel went first, Madar striking the ball cleanly past Malul for a 1-0 lead. Ran Ben-Shimon responded in kind, as Baku picked the ball out of the back of the net.

But that's when the fun started. Alon Ophir's shot was saved by Malul as Petah Tikva's hopes brightened suddenly. But then, three very poorly struck penalties by Petah Tikva's Eyal Segelbiter, Yevgeny Shahopov and Tal Buaya, all of which were stopped by the giant Baku, gave Hapoel victory and its much hoped-for final encounter with arch-rivals Maccabi.

Tel Aviv's men had no trouble with their penalty shooting, as Constantin Marko and then Eyal Ben-Ami put the game out of Petah Tikva's reach.

Capriati busted for marijuana

CORAL GABLES (AP) — Jennifer Capriati, who in 1990 became the youngest player to win a match at Wimbledon, and at the French Open became the youngest Grand Slam semifinalist, was arrested Monday on misdemeanor marijuana possession after police searched her \$50-a-night Coral Gables motel room looking for a runaway teenager.

Her arrest came five months after she was cited by Tampa police for allegedly shoplifting a \$15-ring from a shopping mall.

Brother Steven Capriati, who said he spoke to Jennifer by telephone, said she "was crying a little bit, but was OK." Their parents were in Boca Raton, but were not talking to the media, he said.

Police came to the Gables Inn early Monday after receiving an anonymous tip that a 17-year-old runaway girl was at Capriati's hotel room, said Coral Gables Sgt. Mitch Fry.

Capriati, 18, let detectives

search her room and went to the police station "with no problems at all" after police found marijuana in her knapsack, Fry said.

Capriati was released to her lawyer John Ross and will have her arraignment date set within five days.

The tennis star will probably only have to submit to counseling, Ross added.

Capriati, who recently moved out of her parents' house, said she was "chillin' just having fun," and taking SAT preparation classes at Florida State University.

In December, Capriati, who has won more than \$1.5 million as a professional, was cited by police in Tampa after her agent said she inadvertently wandered off from a shopping mall booth with a \$15 silver ring for which she hadn't paid.

She was not arrested or charged from the incident since Capriati, then 17, was a juvenile.

Surrey cricketers continue to win

LONDON (Reuters) — Alec Stewart's Surrey continued its unstoppable start to the season while West Indian Carl Hooper starred with the bat, albeit in a losing cause, in English County cricket on Monday.

Stewart, England's opener who hit two centuries in one Test in the West Indies on the recent England tour, insisted his county side "are not getting carried away."

The championship leaders crushed Derbyshire by an innings and 138 runs at The Oval to make it eight wins out of eight in all competitions.

Stewart said: "It's the result of consistent team work, with everyone chipping in. But we are not even a quarter of the way through the season."

Stewart declared his first innings on the Saturday score of 570 for

six, leaving David Ward six short of the first triple century of his first-class career.

Derbyshire was all out for 224 in their second, despite Chris Adams overcoming a bruised thigh to score an unbeaten 109.

Hooper, meanwhile, belted a record nine sixes for Kent against Essex in a magnificent 160 off 149 balls at Chelmsford.

The West Indian all-rounder then claimed three for 19 as Essex lost six wickets scoring the 50 they needed for victory.

Leicestershire survived an early attack of batting jitters to beat Somerset by five wickets. Set a target of 110, they slumped to 42 for four.

New Zealand beat Leicestershire by seven wickets in their one-day (55 overs) cricket match yesterday. Scores: Leicestershire 169 in 53.5 overs, New Zealand 179-3 in 33.5 overs.

National softball team going to Netherlands

Post Sports Staff

ISRAEL'S national softball team leaves for the Netherlands tomorrow to take part in an annual eight-team tournament which includes some of Europe's finest ball clubs.

The Israelis will take on Denmark, the Czech Republic, ANZAC (Australian/New Zealand combined team), Canada, England and the Netherlands. Israel, which made its debut last year, placed seventh of nine teams while Canada won the tourney.

Many of Israel's 14 players also took part in the 1993 Maccabiah. The team has no corporate sponsorship, but is receiving funding from the Israel Softball Association, the Ministry of Education and Sport.

Israel's first game is on Saturday against Denmark followed by a match against ANZAC. The championship will be held on Monday.

Coaches: Gidon Melchior, Howie Litz, Artie Leish. Roster: Bill Aarons (P), Ben Barak (1B), Mike Dekhtyev (OF, 1B), Aaron Fortis (P), Josh Fendley (OF), Eli Grouss (OF), Sam Gilson (SS), Randy Kahn (INF), Ari Kantarcvics (P), Tal Klatoka (C, OF), Menashe Pincovski (2B), Stuart Shinder (OF, 3B), Stan Shriger (C, OF) and Norberto Slomovic (P, 3B).

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Dodgers grab sole possession of first in NL West

DENVER (AP) — Tim Lincecum and Mike Piazza each homered Monday, leading the Los Angeles Dodgers to their seventh straight win and sole possession of first place in the NL West with a 9-2 victory over the Colorado Rockies.

Wallace drove in four runs, giving him 1,000 RBIs in his career. Piazza drove in three runs.

Ramon Martinez (2-2) pitched six strong innings and left with a stiff lower back after a leadoff triple by Walt Weiss in the seventh. Greg Harris (2-2) was the loser.

Cubs 4, Padres 2. Steve Buechele hit a two-run homer to lead Anthony Young and the Cubs in a matchup of the NL's two worst teams.

Young (2-3), who benefited from three double plays, gave up five hits and two runs in seven innings for his first win over the Padres in five decisions.

San Diego, which has lost eight straight games, has the worst record in the majors at 10-27.

Randy Myers pitched the 1 1/2 innings for his eighth save, striking out three of four.

Chicago took a 4-0 lead in the sixth when Sammy Sosa tripled with two outs and Buechele homered off Andy Benes (2-7).

Phil Platter hit a two-run homer, his 11th, for San Diego.

Martinez 3, Mets 1. Chuck Carr doubled three times and scored the go-ahead run in the eighth



KEEPING THE RUNNER HONEST — Montreal's Will Codero is tagged out at third base by Philadelphia's Dave Hollins.

inning, streaking home on a grounder. The visiting Marlins won their third in a row. Bret Saberhagen (4-2) lost despite striking out 10 in eight innings. With the score tied at 1, Carr dou-

bled to lead off the eighth and moved to third on a sacrifice. Dave Magadan followed with a grounder to first baseman David Segui, whose throw to the plate was too late to get Carr.

Robb Nen (2-1), who relieved starter Dave Weathers with one out in the seventh, retired all four batters he faced. Jeremy Hernandez got three outs for his ninth save.

Game 5 crucial for Knicks

NEW YORK (AP) — If the New York Knicks are going to separate themselves from the teams that were eliminated by the Chicago Bulls in the last three seasons, they know Game 5 is the time to do it.

The Bulls and Knicks split the first four games the last two times they met in the playoffs, with Chicago winning the fifth game on both occasions. That's the situa-

Playoffs on Cable TV

Sports Channel 5 — Phoenix-Houston, Game 5 at 2:30 followed by parts of Indiana-Atlanta, Game 5.

tion again this year, and while the Knicks claim the past has no bearing on the future, they realize that tonight's game at Madison Square Garden will likely be pivotal again.

"Game 5 is very important because everyone knows what happened last year," forward Anthony Mason said. "We are going to have to play exceptionally hard if we are going to win."

Greg Anthony, thrust into a starting guard spot after Derek Harper was suspended for two games for his part in a brawl Friday night, said Michael Jordan's absence isn't the only thing that has changed since Chicago won Game 5 a year ago.

"We feel we're a better team than last year," Anthony said. "We've been through a lot, and we want it more."

Patrick Ewing led the Knicks with 18 points in Sunday's 95-83 defeat. Although New York also lost Friday night in Chicago, Ewing was much more effective in that game, with 34 points on 14-for-19 shooting, and he scored the Knicks' last 10 points of the game, keying a comeback that almost gave them a 3-0 series lead.

Leafs down Canucks, 3-2

TORONTO (Reuters) — Peter Zezel scored his second goal of the game late in overtime to lift the Toronto Maple Leafs to a 3-2 win over the Vancouver Canucks in the opening game of their best-of-seven Western Conference championship series on Monday.

Toronto took a 2-1 lead 38 seconds into the third period on Zezel's goal. Zezel tipped Sylvain Levevre's pass, gathered the rebound at the left of Kirk McLean and backhanded it high over the fallen goalie for his first goal of the playoffs.

Vancouver rallied to tie the game with 30 seconds left in the third period on Trevor Linden's power-play goal. Linden split the Toronto defense and backhanded the puck past Felix Potvin low to the far side.

After a scoreless first period, Toronto's Dave Andreychuk opened the scoring at 4:26 of the second period with a power-play goal. Andreychuk deflected a Dimitri Miranov shot from in close past McLean for his fifth goal of the playoffs.

Veteran defenseman Dave Babych scored midway through the second period for Vancouver to tie the game. 1-1, Babych took a cross-ice pass from Murray Craven and beat Potvin between the pads with a wrist shot from the bottom of the left circle.

The Maple Leafs won their third straight playoff game. Game two is in Toronto today.

NHL Playoff Glance
Finals (Best-of-7)
Toronto 3, Vancouver 2 (OT)
New Jersey leads series 1-0

Western Conference
Monday's result:
Toronto 3, Vancouver 2 (OT)
Toronto leads series 1-0

Last night's scheduled game:
New Jersey at New York Rangers
Today:
Chicago at New York

Eastern Conference
Monday's result:
New Jersey 4, Philadelphia 1
New Jersey leads series 1-0

Western Conference
Monday's result:
New Jersey 4, Philadelphia 1
New Jersey leads series 1-0

Eastern Conference
Monday's result:
New Jersey 4, Philadelphia 1
New Jersey leads series 1-0

Western Conference
Monday's result:
New Jersey 4, Philadelphia 1
New Jersey leads series 1-0

Eastern Conference
Monday's result:
New Jersey 4, Philadelphia 1
New Jersey leads series 1-0

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Cabinet to tackle soaring housing prices

Gov't considering incentives for speedy work, fines for late completion

MICHAEL YUDELMAN
and JOSE ROSENFELD

THE cabinet will devote its next session on Sunday to discussing how to lower soaring housing prices. This was decided by Prime Minister Yitzhak Rabin after an urgent meeting with the housing and finance ministers and their senior aides.

Some of the issues to be debated are the speedy release of land reserves for construction; speeding up planning and construction procedures; giving incentives to contractors to build quickly; fining contractors who fail to finish building projects on schedule; and lowering construction costs.

It was also decided that Housing Minister Binyamin Ben-Eliezer put together an interministerial team to prepare an agenda by tomorrow on the steps which must be taken to reduce housing prices. At yesterday's meeting each minister, as well as Rabin's bureau chief Shimon Sheves, presented ideas to reduce housing costs.

Apartments are not being built due to a lack of available land and because building plans are stuck in local and regional planning boards waiting for approval, Finance Minister Avraham Shohat told the meeting.

Shohat said these problems were identified a long time ago, but have failed to be dealt with adequately. For this reason, efforts should focus on eliminating these bureaucratic bottlenecks, he said.

Shohat rejected Ben-Eliezer's proposal to give government purchase obligations to contractors building in areas of high demand for housing. He explained that, by definition, in high demand areas there is no need for incentives to sell apartments since, in any case, buyers abound. Otherwise, Shohat expressed full support for Ben-Eliezer's plan to sell enough land to build 100,000 housing units through 1995.

Sheves said afterward that "according to what the premier said, it's a package of various proposals, dealing with marketing land,



Housing Minister Binyamin Ben-Eliezer and Finance Minister Avraham Shohat leave yesterday's meeting at the Prime Minister's Office.

planned public [government] building on the borders of the central region, purchase commitments, and combination deals between the government and the contractors.

Sheves said that "public housing could be a temporary solution to today's situation, in which the demand far exceeds the supply and this causes prices - and consequently the cost of living index

and inflation - to soar. We must find an immediate solution which can bridge over a year and a half of excess demand until it is balanced out with the supply at hand."

He said other proposals discussed included a thorough reform in land marketing, noting that the government's plans from October 1992 to market 50,000 housing units a year fell flat on its



(Isaac Harari)

face and only about half that number was actually sold.

Shohat rejected Sheves's proposal to restart state-financed housing projects in the country's center. He reminded the participants that if the government had not stopped its funding of housing,

no new money would have been available for education, infrastructure projects, and welfare. Shohat suggested providing in-

centives to contractors to increase their number of housing starts. He also called on the government to provide alternative manpower sources to builders who have been particularly affected by the closure of the territories.

Shohat warned that if preparations for building programs for the next 10 years are not completed now, the government will face a housing crisis every year.

Panel under pressure to extend permits law

LIAT COLLINS and DAN IZENBERG

THE unexpected high price of housing in the cost-of-living index published Sunday added extra pressure to discussions in the Knesset's interior committee on the expedited building permits (emergency measures) law which were held yesterday.

Although the Prime Minister's Office and Construction and Housing Ministry are pushing to extend the mandate of the emergency measure law, which expired nearly three weeks ago, committee chairman MK Yehoshua Matza maintained that the permits are being abused by speculators.

The emergency measures law cuts some of the bureaucratic red tape involved in the planning process by skipping environmental demands and shortening the period necessary to register objections. It was originally passed for two years in 1990 to cope with the need to build more homes during the wave of immigration.

Housing Ministry Director-General Aryeh Mizrahi told the committee the expedited building permits are still necessary in order to construct another 400,000 housing units.

Matza was angered by the claim, saying: "This is a humiliation for the interior committee. This is the fifth time that the government has asked to extend the mandate of the emergency measures and each time they promise that this will be the last time. The government must be able to disprove claims that the expedited building permits were used mainly for speculation, to free agricultural land and boost its value. Half a million housing units have been either approved or are undergoing approval, so why have most of them not been built?"

Matza said that housing must be built throughout the country, "and not just in areas that investors found attractive."

Despite Matza's opposition, the emergency measures law looks set to come up for second

and third Knesset reading in the next few days.

Meanwhile, the Knesset labor and social affairs committee yesterday rejected charges by Bank of Israel Governor Yacov Frenkel that burgeoning inflation has been fueled by overly generous wage agreements granted recently by the treasury. "The wage agreements are connected to previous months, not to what will be in the coming months," the committee said in a formal resolution.

The statement came in response to a warning leveled by Frenkel on Monday, that inflation had not been tamed and that the problem was not just the rising cost of housing, as the government allegedly keeps insisting. Frenkel singled out recent wage agreements in which some sectors received allegedly disproportionate pay increments.

The interview with Frenkel followed publication in April of the 2 percent cost-of-living increase figure, which jacked up the current inflation rate for 1994 to 13.5 percent.

Basheva Tsor adds: "Soviet Jews like to say that in Israel you feel at home only after you have bought a home." Zionist Forum head Natan Sharansky yesterday wrote to Prime Minister Yitzhak Rabin.

But, Sharansky added, the high price of apartments in Israel had led him to reiterate to the prime minister some suggestions made a year and a half ago.

He called on the government to rescind its decision to stop public building in the center of the country, saying that this was the only area where oil with problems could settle. Sharansky also asked that the government build small apartments which would be suitable for oil with limited means. He added that mortgages should be raised to realistic levels.

Hefetz: Security on roads linking Gaza and Jericho cannot be guaranteed

BILL HUTMAN and DAN IZENBERG

SECURITY forces cannot guarantee that Palestinian terrorists will not take advantage of safe passage routes through Israel between Gaza and Jericho to carry out attacks. Police Inspector-General Assaf Hefetz said yesterday.

Four routes connecting the two autonomous areas will officially go into use in the coming days. At a Jerusalem news conference

steps taken by police to secure them.

"It's not as if the roads are going to be high fences built on each side," Hefetz said.

Police Minister Moshe Shaleh addressed the matter before the Labor Knesset faction, saying Palestinian cars will have to clock in at the beginning and end of the trip. The cars will not be allowed to stop, and roadblocks will

ensure that the vehicles have not left the route by timing their arrival between roadblocks.

Hefetz downplayed the possibility of Palestinian terrorists taking advantage of the routes. He admitted the "timing system" would only let police know that a vehicle was on the route.

The four safe passage routes include two to the north and two to the south of Jerusalem. Hefetz said that normally only one route would be in use, although at times two routes would be opened to Gaza-Jericho traffic.

"Even [Palestinians] without permits to enter Israel will be able to use the safe passage routes," Hefetz said. It had been widely

understood that only persons with entrance permits would be allowed to use the routes.

Hefetz said that the police had little input concerning the routes, because agreements on regulations over their use were made by political leaders of Israel and the Palestinians.

The routes, which will be patrolled by a new unit now being established by the police, would only be open during daylight hours, according to Hefetz.

Shahal said he asked for government funding for an additional 1,400 police officers to man the safe passage roads.

Shahal also told Labor Party members that a new police district manned by 3,000 officers will be established in the next few days to

secure the Jewish settlements in the administered territories.

"The good will and the understanding in the field is excellent," Shahal said of the relations so far between Palestinian and Israeli police officers.

Shahal said he supported Palestinian demands to disarm Israelis wanting to study at the Shalom Al Yisrael synagogue in Jericho. He criticized veshiva students for allegedly insulting the Palestinian police officer guarding the synagogue.

"The students must not treat the [Palestinian] police as if they did not exist," Shahal said. "That is a provocation. They are human beings, just like us."

Hefetz, meanwhile, confirmed that the weapons used by Palestinian officers underwent ballistic tests by the police, so they could be checked if the weapons are used in terror attacks in the future.

Preliminary Ramon-Labor coalition negotiations get under way

MICHAEL YUDELMAN

THE leaders of the Ramon-Meretz-Shas list yesterday agreed to stop their attacks on outgoing Histadrut Secretary-General Haim Haberfeld and the leaders of Labor's Histadrut faction, as preliminary negotiations got under way.

Labor leaders expect Haberfeld, who did not return from abroad in time to attend the meeting, to quash the "rebellion" among labor council secretaries and to persuade some dozen council heads to undo the agreements they signed with the Likud, in violation of express instructions from Prime Minister Yitzhak Rabin.

Labor's negotiating team will be headed by Haberfeld, but he will be subject to Rabin's guidance.

The meeting, which was held in a relaxed atmosphere at Mapam headquarters, was attended by MK Haim Oron (Mapam), MK Ran Cohen (CRM), Eli Yishai (Shas), MK Shmuel Avital (representing

Ramon), and MK Anat Maor (Mapam), and by Labor Party Secretary-General Nissim Zivli, Na'ama Secretary-General-Elect Ofra Friedman, Zvi Aldorati, and Yoram Oberkovitz.

They decided to end the negotiations by June 2, when the Histadrut executive committee is to meet, and to convene the Histadrut convention as soon as possible after that. Ramon's representatives demanded the convention be held no later than mid-June, despite the Histadrut constitution which requires that it meet three months after the first executive committee meeting after the elections.

Zivli will present this demand to Labor's Histadrut faction this morning and then give Ramon an answer.

Senior members of the faction criticized Rabin for "selling the His-

tradrut to Ramon cheaply."

At a stormy meeting in Labor's headquarters, some 60 labor council secretaries belonging to the Labor Party demanded they be allowed to conduct independent negotiations for local coalitions. Most had won a majority in their districts, and they told Zivli, who tried to persuade them to abide by Rabin's guidance, that they would form coalitions with whomever is necessary to maintain Labor's hegemony in the councils.

"We contended in primaries, each of us invested immense sums of money and we won," said Moshe Elmi, secretary of the Kiyat Gat labor council. "They [Labor leaders] lost, and cannot dictate to us how or with whom to conduct coalition negotiations."

Tel Aviv labor council secretary Gershon Geiman said he would not cancel the agreement he had made with the Likud.

Too many unnecessary arrests, Knesset told

EVELYN GORDON

UNNECESSARY arrests, arrests that last longer than needed, poor prison conditions and many other problems characterize the Israeli justice system, several people told the Knesset law committee yesterday.

The committee was discussing the issue in an effort to pressure the government into changing the system in accordance with the Levine report, which was presented about two years ago but has since been ignored, according to chairman Dedi Zucker (Meretz).

Shmuel Saf of the Bar Association told the committee that unnecessary arrests stemmed from two factors: overly eager police officers, and judges who were too quick to approve arrest orders. The judges, he noted, are often not even experts in criminal law, and they are not obliged to give any reasons for their decision.

Zucker said that at times a judge will process as many as 40 arrest orders in two hours.

Saf also lambasted the police rule which forbids a detained person from making phone calls until an officer has signed his arrest order. The average wait is four hours, he

said, and it can take up to 12.

Inspector Yossi Levy, head of the police investigations department, said there were 44,842 arrests last year, up 10 percent from 1992. This was due primarily to a sharp increase in two sectors: drug-related arrests were up around 20 percent, and arrests for disturbances of the peace rose by around 17 percent.

The overall increase reflected the growth in the population and increased police activity, he said, not a large number of unnecessary arrests.

Levy also denied that the police used arrests to pressure suspects into confessing.

Police Inspector-General Assaf Hefetz said the police are interested in reducing arrests, because the jails are overcrowded, and there is no place to put detainees.

However, State Attorney Dorit Beinisch rejected the police's attempts to gloss over the situation. "A significant portion of the problems that were raised here are really problems," she said. "But this is a matter of social and budgetary priorities."

LIKUD MK Ariel Sharon said yesterday that in order to battle this government, a new opposition leadership is needed, and he volunteered to take over the job from Likud leader Binyamin Netanyahu.

Netanyahu responded that "it is because of such chronic undermining that the Likud lost power in the first place and we now need to do battle with a government which constitutes such a disaster to this nation."

According to Sharon, speaking on Israel Radio's *It's All Talk*, "the campaign against this government should have been led by the opposition's largest party. In this the largest party had failed miserably." Instead, Sharon maintained, "the battle against the government is being spearheaded by the Judea, Samaria, and Gaza settlements council."

What is needed, as Sharon sees it, "is a new leadership for the Likud, one which would be able to conduct an effective struggle to try to avert the vast dangers to which this government exposes the nation."

Asked whether he would be willing to participate in such an alternative Likud leadership, Sharon replied affirmatively.

Netanyahu told reporters later that "the day on which two more Jews are murdered and Arafat calls for a Jihad is hardly the time to re-launch the internal Likud wars and once more put into play petty ambitions, personal frustrations, and private considerations."

"A struggle against this government has indeed been a must from the dark day on which it took over. But why did it take over? We lost power because of a handful of petty politicians who preferred their own interests to the national cause. This handful has apparently learned nothing, but in the meantime there has been a change in the Likud - Israel's largest party with 180,000 dues-paying members."

"We have gone through primaries, there are rules of the game now, and the membership will not tolerate those who thumb their noses at the rules. The members are fed up with these politicians who caused one loss and they will not allow them to lead us to another defeat. This handful will seek to undermine any Likud leader regardless of his name. It started with Begin, continued with Shamir, and I am but the next in line."

Just because "this government is such a disaster, we must all rise above the petty and the personal and consider the larger picture only. Because these are such dangerous times to the nation, we must now unite, Netanyahu said.

He noted that former rival MK Benny Begin "has been cooperating in the fullest sense of the word," and Tsomet leader Rafael Eitan, who though he announced his intention to run for prime minister, "has also been working within the opposition framework together with the Likud."

Knesset panel discusses expelling members from party factions

DAN IZENBERG

THE Knesset house committee yesterday continued discussing Rehavam Ze'evi's request to declare Shaul Guttman a defector from the Molechet faction; most of the MKs talked about Guttman, but were thinking about Haim Ramon, Amir Peretz, and Shmuel Avital who were recently expelled from the Labor Party.

"Guttman's circumstances and those of Ramon, Peretz, and Avital are exactly the same," Michael Eitan (Likud) told the committee. "The law makes no distinction between parties and factions."

Molechet has expelled Guttman from the party and, Labor has expelled Ramon, Peretz, and Avital. However, while Molechet insists that Guttman is no longer a member of its Knesset faction, Labor has not followed suit.

Eitan claims the expulsion of the three Labor MKs from the faction is an automatic conse-

quence of their expulsion from the party.

Committee chairman Hagai Meron turned down Eitan's request to merge the debate on the two issues. Later, Eitan wrote Meron urging him to convene a meeting to discuss the parliamentary status of the three Labor MKs as quickly as possible.

Ze'evi, represented in the house committee by attorney Uriel Lynn, claims that by his actions, Guttman made it clear he quit Molechet and no longer represents it. The actions included the establishment of a non-profit organization called Mishmeret Hashalom, which will allegedly run as a party in the next election, charged Ze'evi.

According to Guttman, the law recognizes only one circumstance in which an MK can be considered

to have defected from his party - when he crosses party lines for personal gain to help the other side form a government.

An opinion submitted by Knesset legal adviser Zvi Inbar indicated that there could be additional grounds for considering an MK to have defected from his faction.

However, the discussion shifted to new ground, when Eitan claimed that the law committee did not have the right to judge decisions by political parties to expel members. Such expulsion is a party prerogative which the house committee cannot meddle in, argued Eitan. He also asserted that an expelled party member could not continue representing that party in the Knesset.

Other opposition MKs, including Eliezer Zandberg (Tsomet) and Limor Livnat (Likud) supported Eitan.

Rubinstein appointed legal adviser to Defense Ministry

ALON PINKAS

FORMER cabinet secretary Elyakim Rubinstein was officially appointed legal adviser to the Defense Ministry yesterday. Rubinstein, who had served as cabinet secretary since 1986, will retain his position as head of Israel's delegation to the bilateral talks with Jordan.

Brig.-Gen. (res.) Dov Shefi, the ministry's former legal adviser, was appointed its senior representative for exports in the US.

He will head the SIBAT (security assistance department) office in Washington.

Col. Chino Oren was appointed to head the ministry's Rehabilitation Department, which oversees treatment of the families of soldiers killed or wounded in action.

Zvi Cohen, former head of the Rehabilitation Department and ministry deputy director-general, was appointed head of the procurement mission in France.

Winning numbers

In last night's weekly Lotto drawing, the winning numbers were 48, 38, 17, 11, 2, 3 and the additional number was 39.

Winning cards

In yesterday's Mifal Hapayis daily Chance card draw, the lucky cards were the king of spades, nine of hearts, 10 of diamonds and king of clubs.

Two Haifa men were arrested yesterday on suspicion of selling hashish and marijuana to dozens of high school pupils. Yigal Kotzer

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